



# GENERAL MOLY

*The Right Moly Investment*

Credit Suisse  
2008 Global Steel and Mining Conference

Bruce D. Hansen  
Chief Executive Officer

September 24, 2008





# Forward Looking Statements

*This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that are intended to be covered by the safe harbor created by such sections. Such forward-looking statements include, without limitation, (i) estimates of future molybdenum prices, supply, demand and/or production; (ii) estimates of future cash costs, direct operating costs or royalty payments; (iii) estimates of future capital expenditures; (iv) estimates regarding timing of permitting, future development, construction or production activities; (v) statements regarding future exploration results; (vi) statements regarding cost structure, project economics, or competitive position, and (vii) statements comparing Mount Hope to other mines, projects, or metals. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, political and operational risks, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s 2007 Annual Report on Form 10KSB, as amended from time to time, which is on file with the Securities and Exchange Commission, as well as the Company’s other SEC filings. The Company does not undertake any obligation to release publicly revisions to any “forward-looking statement,” to reflect events or circumstances after the date of this news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws*

## **NON-GAAP FINANCIAL MEASURES**

*The term “cash cost” is a non-GAAP financial measure and is used on a per pound of molybdenum basis. Cash costs are equivalent to operating expenses and are inclusive of by-product credits and royalty obligations, where applicable. We include cash cost information to provide investors with information about the cost structure of our planned mining operations. This information differs from measures of performance determined in accordance with GAAP in the United States and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of operating expenses as determined under GAAP and may not be comparable to similarly titled measures of other companies.*



# General Moly: Key Themes

## 1. Growing volumes in a capacity constrained World

- Robust molybdenum demand, especially from energy industry
- Supply constrained market has forced moly prices higher
- General Moly to become world's largest primary molybdenum producer by middle of next decade

## 2. Coping with rising Costs

- Large, long-lived, mining assets (Mt. Hope and Liberty) in Nevada, USA
- Excellent existing infrastructure
- Management and Engineering team with extensive industry experience
- Robust project economics
- Off-take deals provide protection to margins

## 3. GMO's share price represents significant value

- Combined asset NPV of \$1.9B vs. Capitalization of \$430M<sup>1</sup>
- Company trading at 0.23x NPV of \$22.79 per share<sup>1</sup>
- Average analyst target price of \$11.52 (+123%)<sup>1</sup>

1. Based on September 15, 2008 closing price of \$5.17

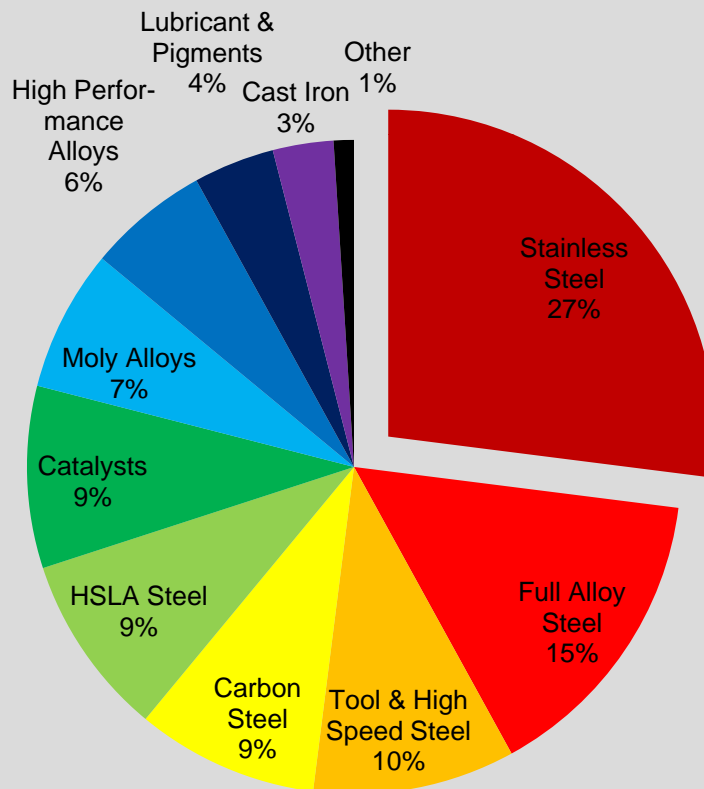


# Growing Volumes: Robust Demand for Moly has Led to Annual Supply Deficits and Higher Prices

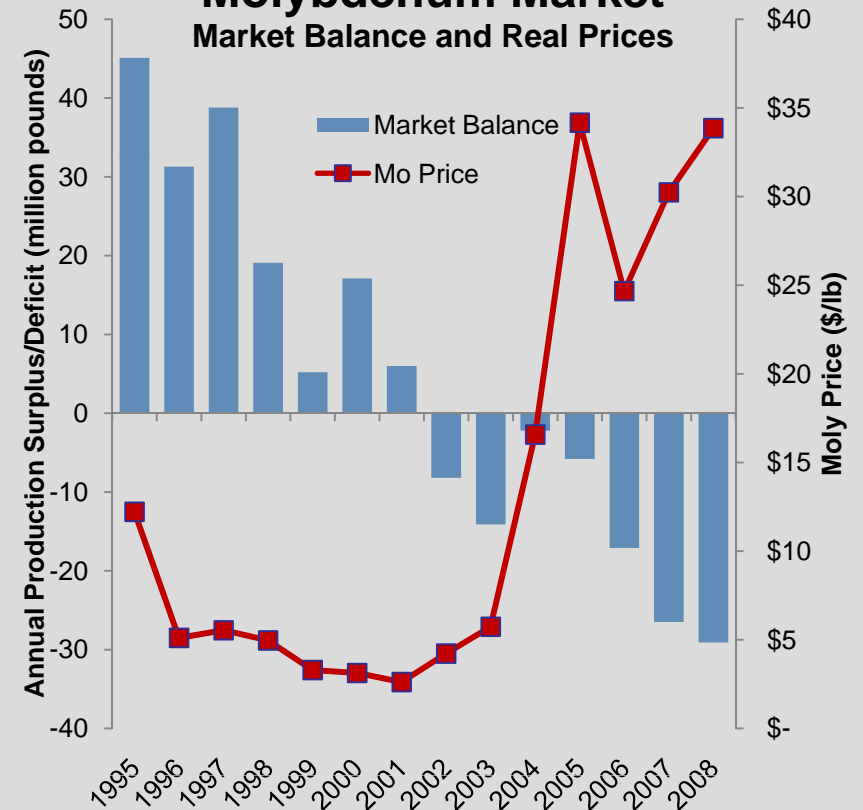
*Supply Growth driven by expanding applications, diverse markets and led by the energy industry (38% of global demand)*

*Demand growth has led to annual production deficits, declining inventories, and higher prices*

## Moly End Uses



## Molybdenum Market Market Balance and Real Prices



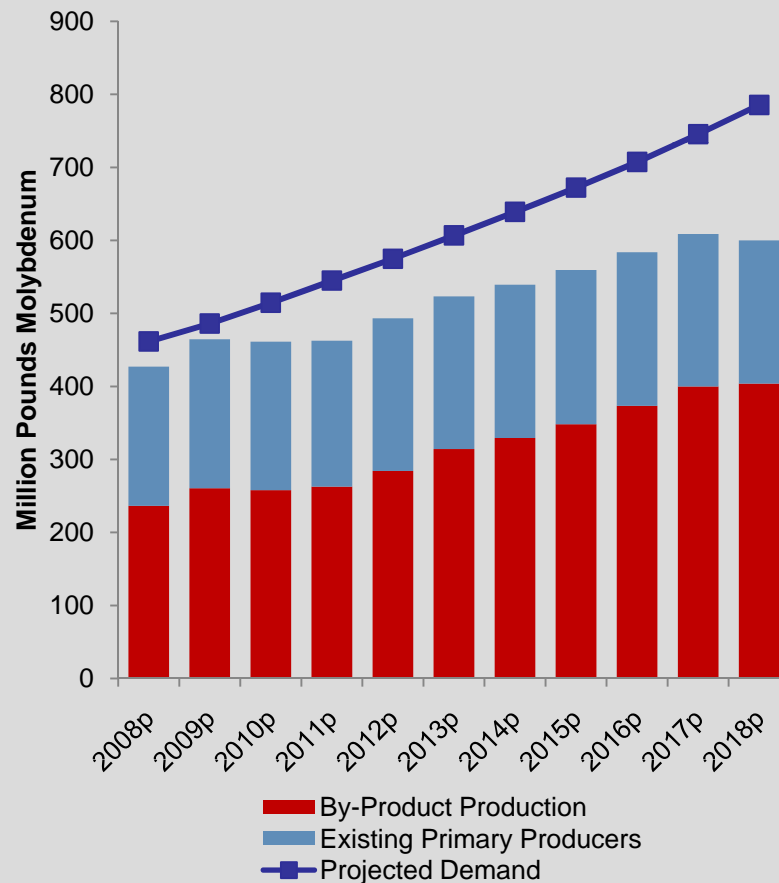
Lack of New Supply + Low Inventories = Tight Markets



# Growing Volumes: Current Molybdenum Producers Cannot Meet Growing Demand

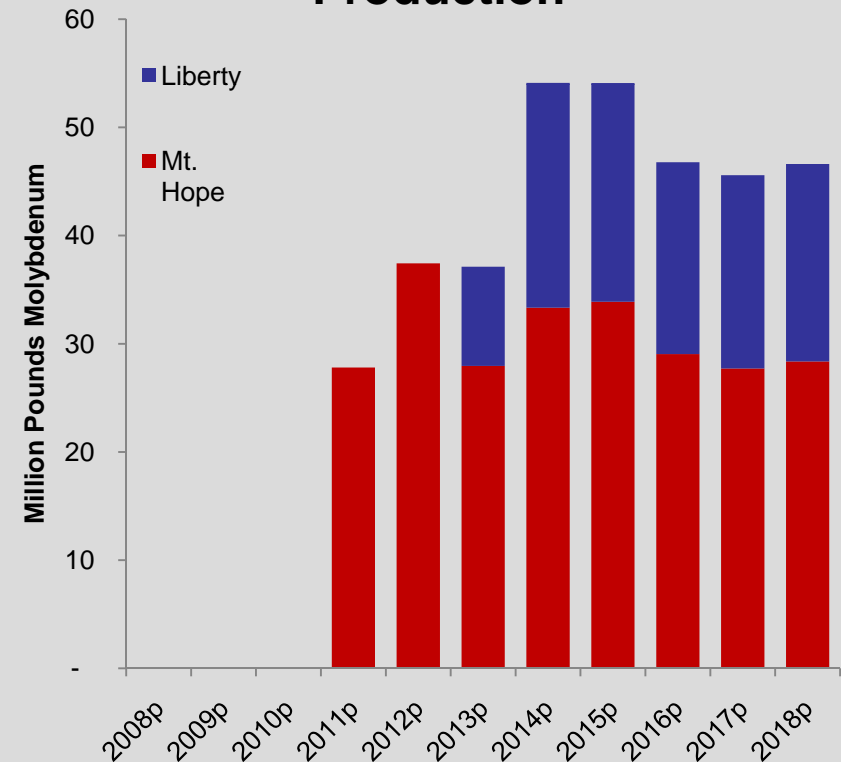
*By-Product producers continue to represent a smaller percentage of global moly production. Even including primary producers, a supply gap remains*

## Current Producer Supply Gap



*General Moly's two primary molybdenum projects anticipated to make the Company the world's largest pure-play producer of Moly within 10 years*

## General Moly Projected Production



Sources: CPM Group



# Growing Volumes: Actively Mitigating Traditional Emerging Producer Issues

- **Permitting**
  - Experienced team of permitting experts
  - Building mitigation efforts into initial EIS to facilitate timely permit receipt
  - Expect state and federal permit issuance by mid-2009
- **Engineering & Construction**
  - Experienced team that has built significant mining projects before
  - Placed all long-lead equipment orders beginning in October 2007
  - Proven technology and simple project flow sheet
- **Community & Government Relations**
  - Involved Eureka community in project from beginning
  - Recently broke ground on local subdivision to house Mt. Hope employees
  - Utilizing local contractors
  - Met with Governor & Congressional delegates





# Growing Volumes: Actively Mitigating Traditional Financing Issues



## Project 80% Owned by General Moly

- GMO to sell ~31 million pounds annually to customers

## Project 20% Owned by POSCO

- POSCO paying \$170M to Joint Venture for ownership interest
- POSCO to contribute 20% of CapEx and OpEx to Joint Venture (in addition to \$170M)
- POSCO to take 20% of production (~8M lbs annually) in-kind

Joint Venture provides General Moly with:

- endorsement value
  - lower capital requirements
  - a significant steel producer with a vested interest in project success





# Growing Volumes: Actively Mitigating Traditional Financing Issues

General Moly has three off-take agreements

- ArcelorMittal (November 2007)
  - 10% owner of Company's equity at \$8.50 per share
  - 6.5M lb (+/- 10%) off-take agreement for five years with floor price protection<sup>1</sup>
- SeAH Besteel (May 2008)
  - 4.0M lb (+/- 10%) off-take agreement for five years with floor price protection<sup>1</sup>
- Sojitz Corporation (August 2008)
  - 1.0M lb off-take agreement for five years with floor price protection
  - 4.0M lb off-take agreement for five years near spot<sup>1</sup>

11.5M annual pounds committed with hard floor prices approaching \$15 per pound, PPI escalation annually, and modest discounts to consumer above floor price

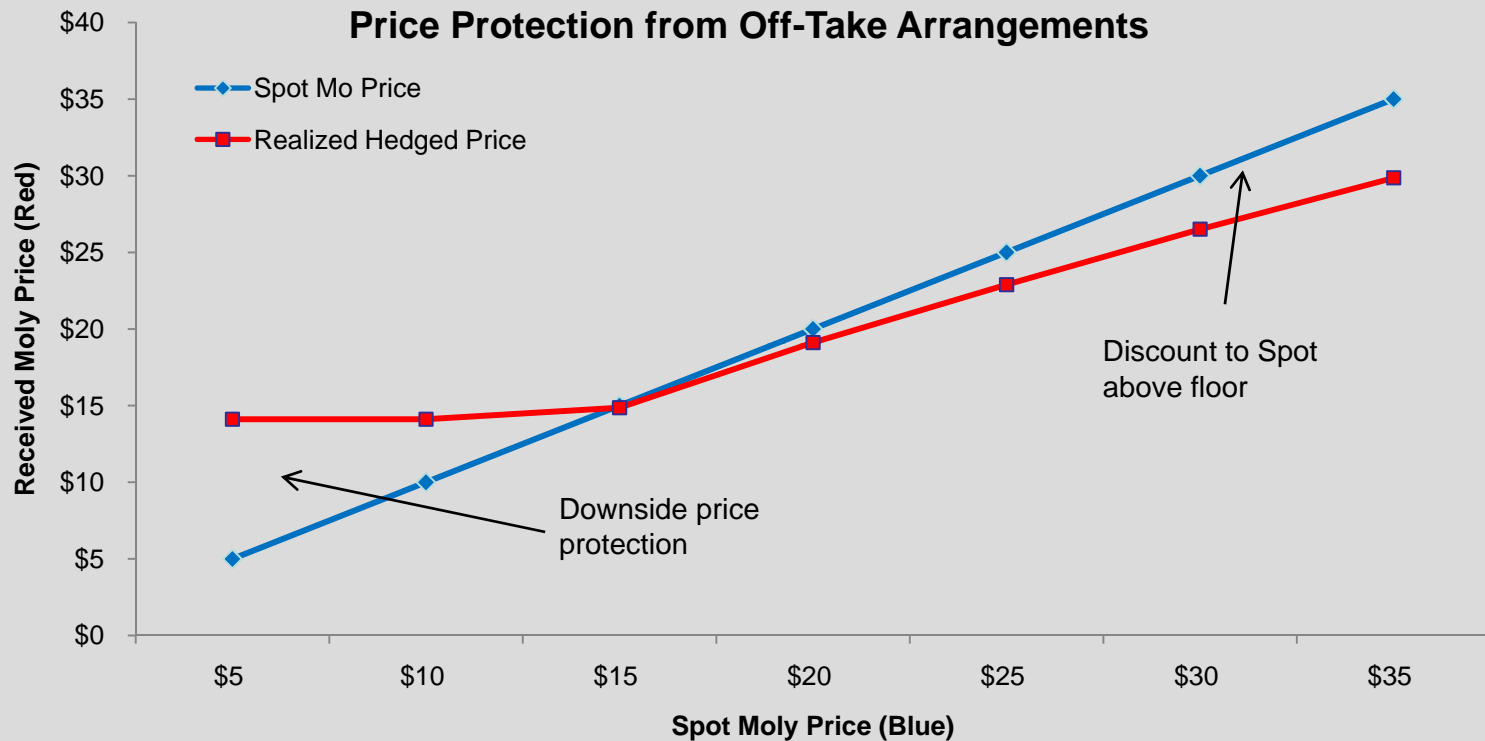


Off-take agreements provide assurance to future debt-holders by covering interest payments on anticipated debt levels, even at Moly prices equal to cash costs

1. All off-take agreements commence only when Mt. Hope reaches commercial levels of production.



# Coping with Rising Costs: Off-Take Arrangements Insulate Margins from Cost



11.5M annual pounds committed with price protection that includes:

- A hard floor price approaching \$15 per pound on average;
- PPI escalation annually;
- A modest discount to customer above floor price



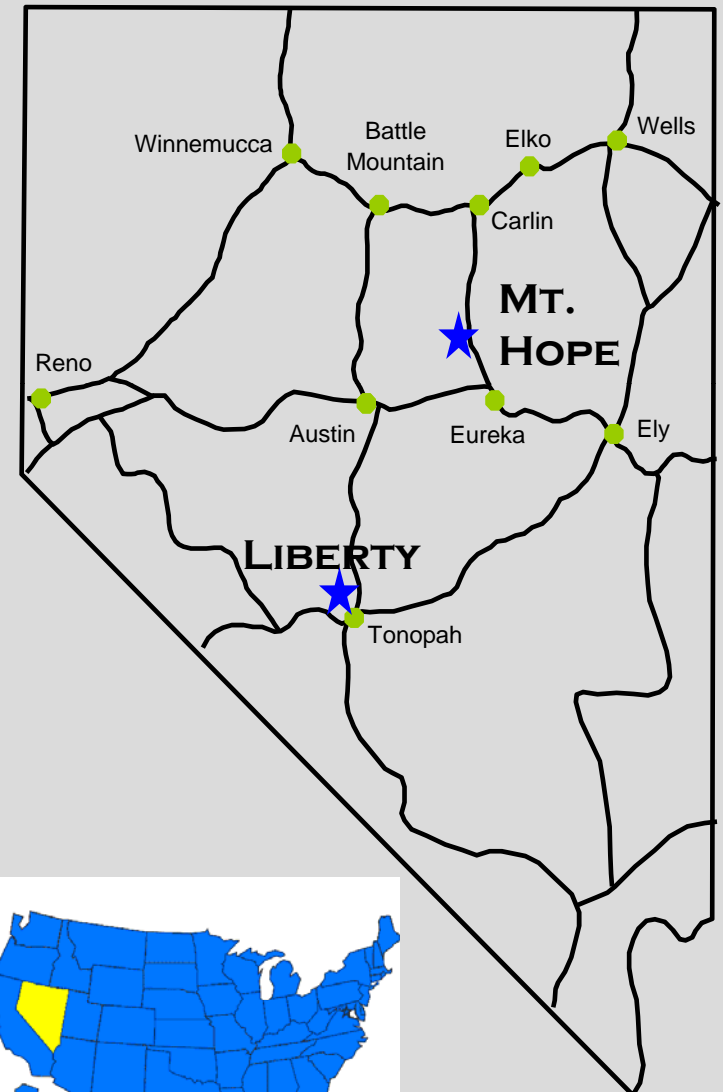
# Coping with Rising Costs: Developing Large, Long-Lived, Low-Cost Assets

## Mt. Hope

- 1.3 billion Pounds Contained in Proven & Probable Reserves
- 44 year mine life, including 32 years of mining and 12 years of low-grade stockpile processing
- 60,000tpd mill producing ~40m lbs annually<sup>1</sup>
- Direct operating costs of \$5.30-\$5.80/lb, well below marginal cost of primary production at approximately \$10/lb<sup>2</sup>
- Late 2010 start-up
- Net Present Value (NPV) of \$1.5-\$1.58 billion<sup>3</sup>

## Liberty

- 503 million pounds moly produced over life of mine
- 33 year mine life, including 24 years of mining
- 36,000tpd mill producing 19m lbs Mo and 18m lbs Cu annually<sup>1</sup>
- Direct operating costs of \$6.15/lb
- Mid-2013 start-up
- NPV of \$356 million<sup>3</sup>



1. Averages over the first five years of production 2. Source: CPM Group 3. Based on the September Mt. Hope Update and the April Liberty pre-feasibility study.



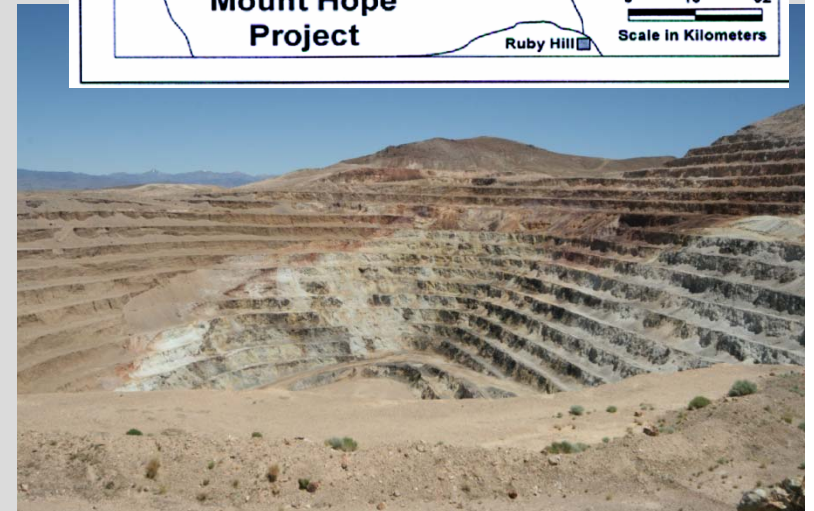
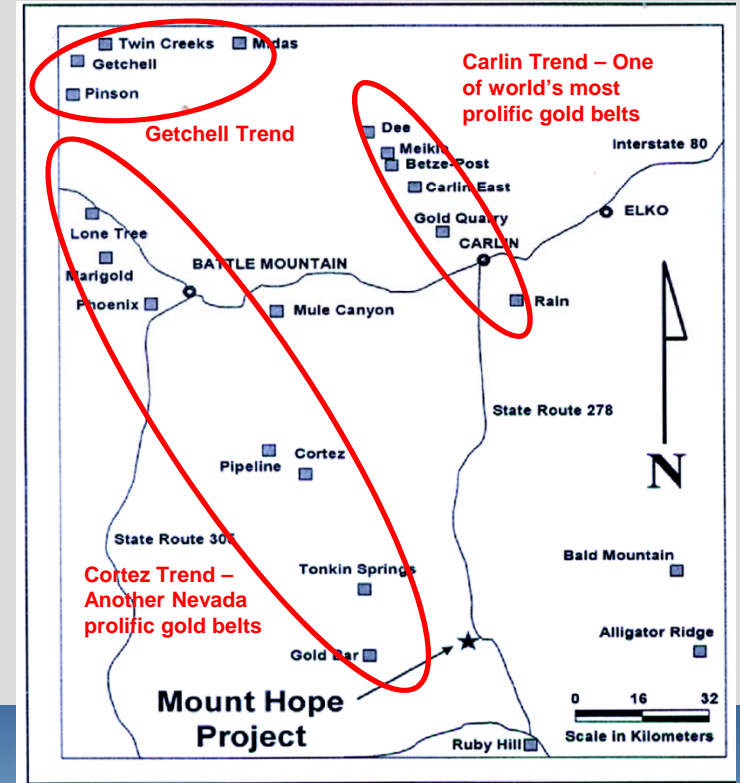
# Coping with Rising Costs: Minimizing Infrastructure Spending in Nevada USA

## Mt. Hope

- Project located immediately off state highway, providing easy access to road and rail
- Project able to “plug in” to existing power grid, providing easy and inexpensive grid power access

## Liberty

- Existing Infrastructure of brownfield project saves on initial CapEx
- Existing open pit is ready for mining and requires no pre-stripping to access high-grade moly and copper mineralization





# Coping with Rising Costs: Managing Scope with Experienced Management

## Construction and Operating Execution Plan

- Design/Engineering started in Q4 2007; currently 38% complete
- All major long-lead equipment has been ordered
- Ready to start as soon as ROD released mid-year 2009
- 18-month construction schedule
- Mine pre-stripping occurs concurrent with facility construction
- Target completion is Q4 2010

## Team Leading General Moly's Efforts

- Bob Pennington (Over 23 yrs experience in plant operations & 6 yrs experience in design at M3 Engineering)
- Richard Rice (Former Phelps Dodge VP of engineering; 30 yrs experience in engineering & construction)
- Jesus Figueroa (Former GM for Phelps Dodge; 23 years experience at the Sierrita copper/moly project)
- Joe Barton (Electrical Engineer with 45 yrs experience in electrical plant operation and design)
- George Grunerud (Over 35 years concentrator plant maintenance experience. Numerous design and operating start-ups worldwide.)



# Corporate Value: Financing Plan

Total Hard Capital (100% basis) <sup>1</sup> :	\$1,000 - \$1,080 Million
Working Capital, Deposits:	<u>+ \$100 - \$150 Million</u>
<b>Total Requirements for Mt. Hope:</b>	<b>\$ 1,100 - \$1,230 Million</b>

Spent to Date:	\$50 Million
POSCO Initial Contribution:	+ \$170 Million
General Moly Cash on Hand:	<u>+ \$70 Million</u>
General Moly Equity Contribution:	\$290 Million
POSCO 20% Capital Contribution:	<u>+ \$220 - \$250 Million</u>
<b>Total Equity Contributed to Project:</b>	<b>\$510 – \$540 Million</b>

**Remaining Project Finance Requirement: \$590 - \$690 Million**

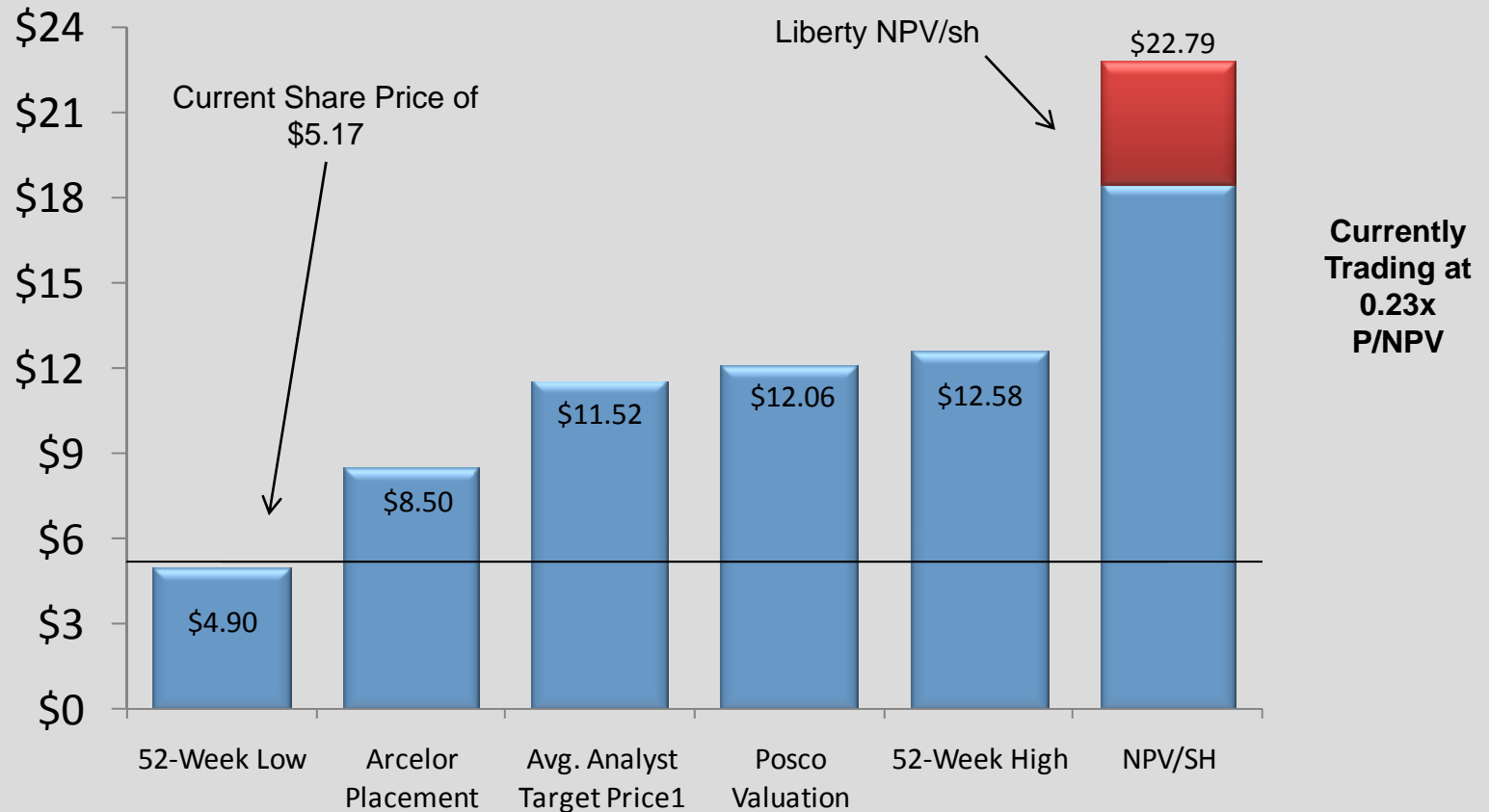
Focus: Maximize leverage and minimize dilution

- Appointed Credit Suisse and Barclays as Project Finance co-arrangers
- Continuing to discuss options with strategic partners
- May look to strategic financial investors
- Convertible debt and Equity are least preferred financing options

1. Includes CapEx indicated in the Company's September 9 Press Release and anticipated working capital and bonding requirements.



# Corporate Value: Share Price Valuation



Trading to average analyst target price represents price increase of 123%

Trading to Company NPV represents price increase of 341%

1. Average analyst target price as of September 8, 2008.