



# GENERAL MOLY

*The Right Moly Investment*

## London Marketing

**Bruce D. Hansen**  
Chief Executive Officer

**David A. Chaput**  
Chief Financial Officer

September 25-26, 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: Five Key Investment Themes

1. Molybdenum: Continued favorable market fundamentals
  - Robust demand, primarily from energy industry
  - Market deficit to be filled largely by new primary producers
2. Asset Quality: General Moly controls two of the three best global Moly assets
  - Large, long-lived, low-cost mining assets in a politically stable region
3. General Moly has significantly mitigated risk at Mt. Hope
  - Joint Venture partner in POSCO reduces financing risk
  - Completed off-take agreements reduces commodity price risk
4. Mt. Hope is more easily financeable than other Moly development projects
  - Low capital per unit of Moly output
  - Equity requirements largely funded
5. 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

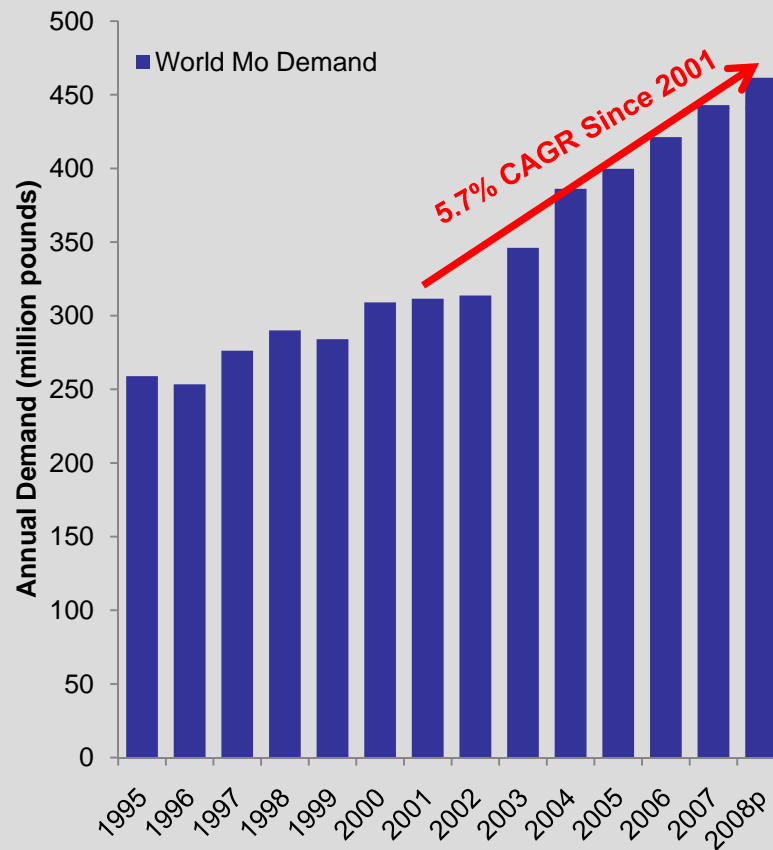


# Robust Demand for Moly has Led to Annual Supply Deficits and Higher Prices

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

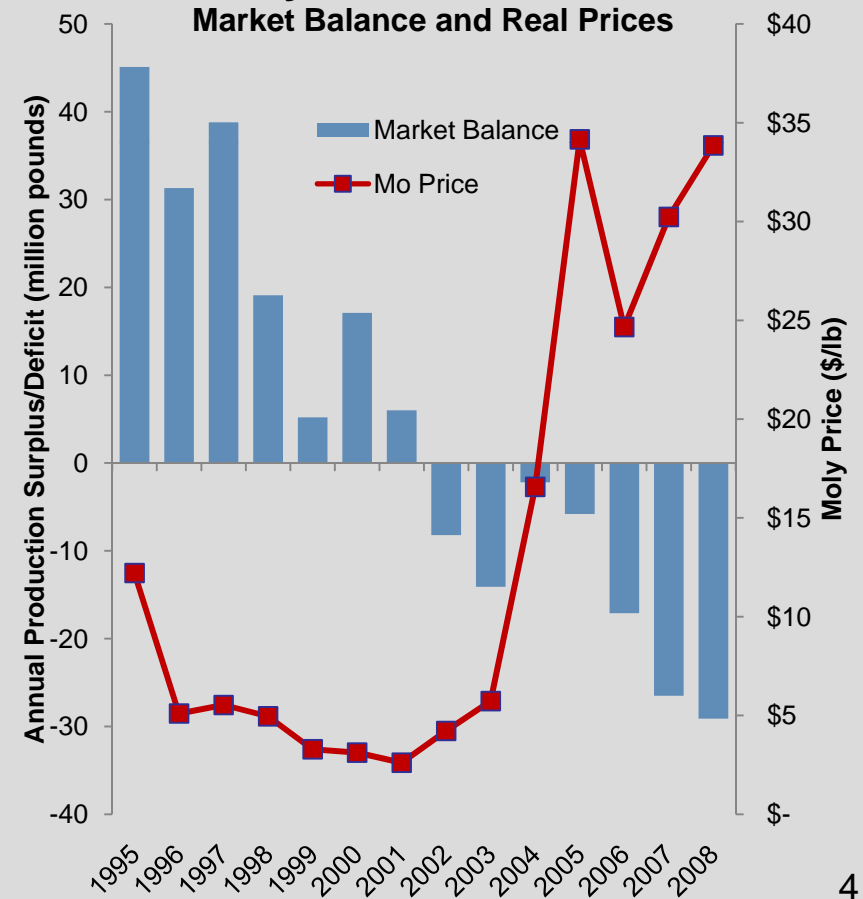
*Demand growth has led to annual production deficits, declining inventories, and higher prices*

## World Moly Demand



Sources: CPM Group

## Molybdenum Market



Sources: CPM Group



# Moly Market: High Growth Rates Supported by Energy Industry



## Drill Pipe

- Higher Mo content used to combat drilling under increased temperature, pressure and/or corrosive environments
- New Drill Pipe contains up to 0.7% Mo (up 3x)

## Oil & Gas Pipelines

- 91,100 miles pipelines were planned to be built in 2007, a 30% increase
- 1 mile of pipeline utilizes 1 ton of Molybdenum

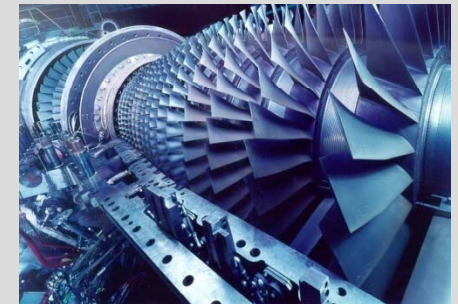


## Oil & Gas Refining

- More cracking catalysts required to meet emission standards and increasing sulfur content of crude oils

## Gas Turbines

- Rapid increase in electricity demand
- Steels containing up to 25% Mo



## Nuclear Power

- Mo used in piping, shells and tubes of nuclear plants

## Offshore Oil Production

- Mo used extensively in piping and anti-corrosive applications



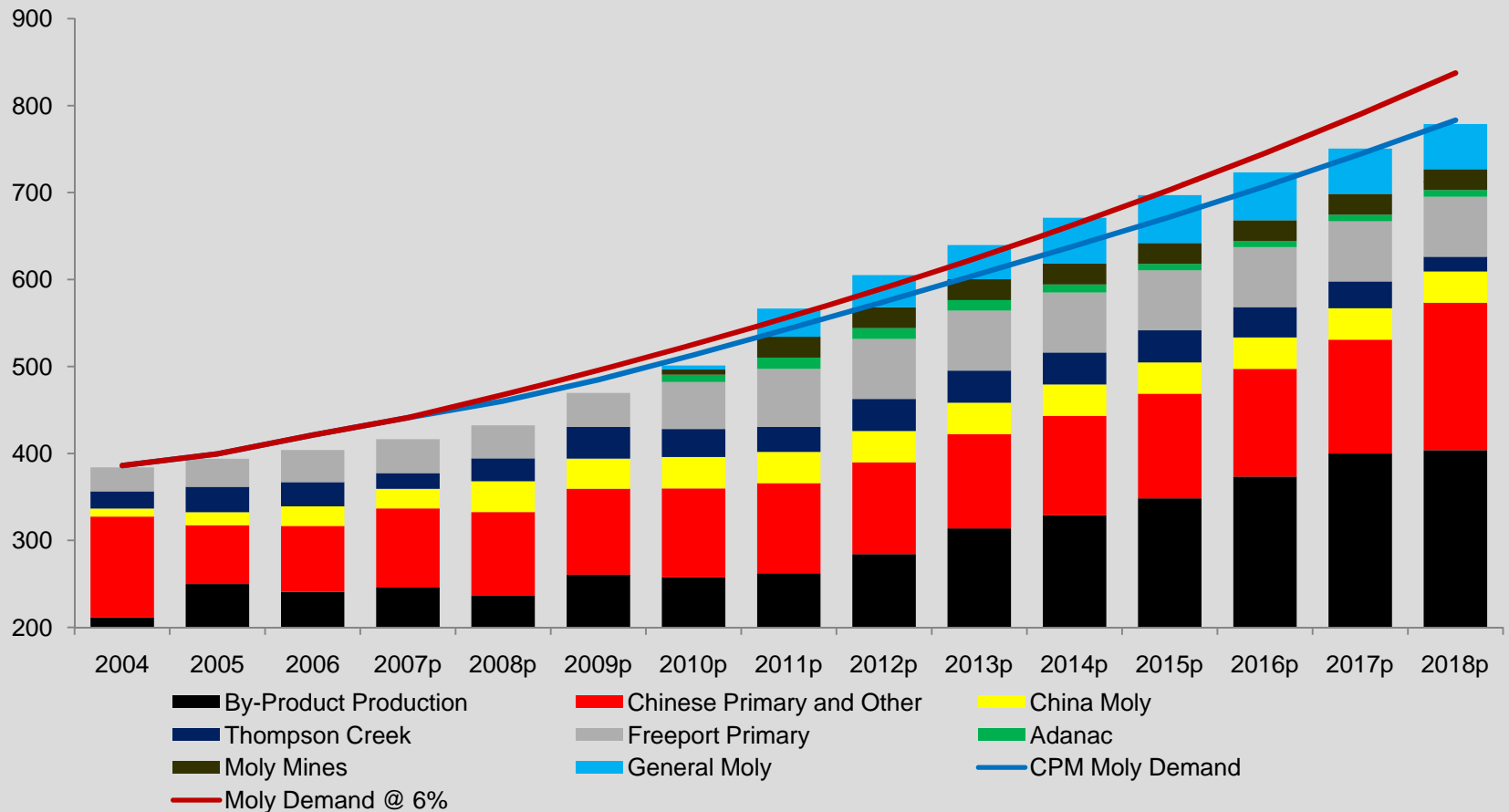
Energy industry accounts for  
38% of global Moly demand

Source: CPM Group, Marketfriendly, Inc.



# Moly Market: Continuing Supply Deficit

Cumulative Market Surplus (Deficit) 6% Growth Rate	(49.9)	(85.2)	(111.3)	(135.6)	(126.1)	(111.3)	(97.6)	(89.9)	(96.2)	(118.3)	(157.9)	(216.6)
Cumulative Market Surplus (Deficit) CPM Growth Rate	(49.9)	(77.8)	(93.1)	(105.4)	(82.5)	(51.8)	(18.9)	13.4	38.3	54.4	60.6	56.1
CPM Group Projected Real Price	\$33.85	\$33.15	\$30.00	\$24.45	\$22.20	\$20.45	\$18.35	\$17.50	\$17.00	\$16.50	\$16.50	\$17.00



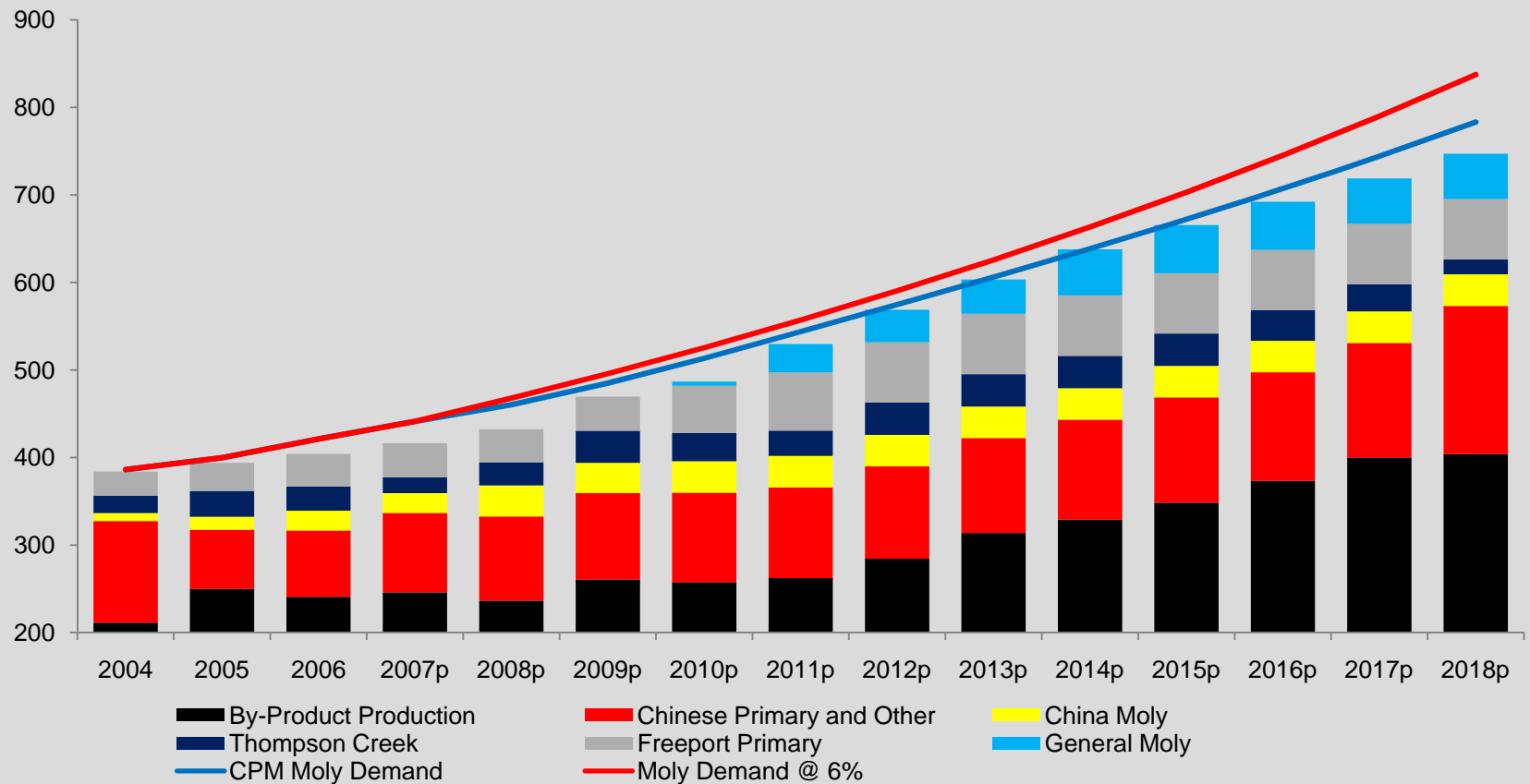
Lack of New Supply + Low Inventories = Tight Markets

Sources: CPM Group



# Moly Market: Without Challenged Projects

Cumulative Market Surplus (Deficit) 6% Growth Rate	(49.9)	(85.2)	(111.3)	(150.0)	(177.5)	(199.1)	(221.5)	(247.0)	(284.7)	(337.8)	(409.1)	(499.5)
Cumulative Market Surplus (Deficit) CPM Growth Rate	(49.9)	(77.8)	(93.1)	(119.8)	(133.9)	(139.6)	(142.8)	(143.7)	(150.2)	(165.1)	(190.6)	(226.8)



Excluding Moly Mines and Adanac, Market Remains in Deficit



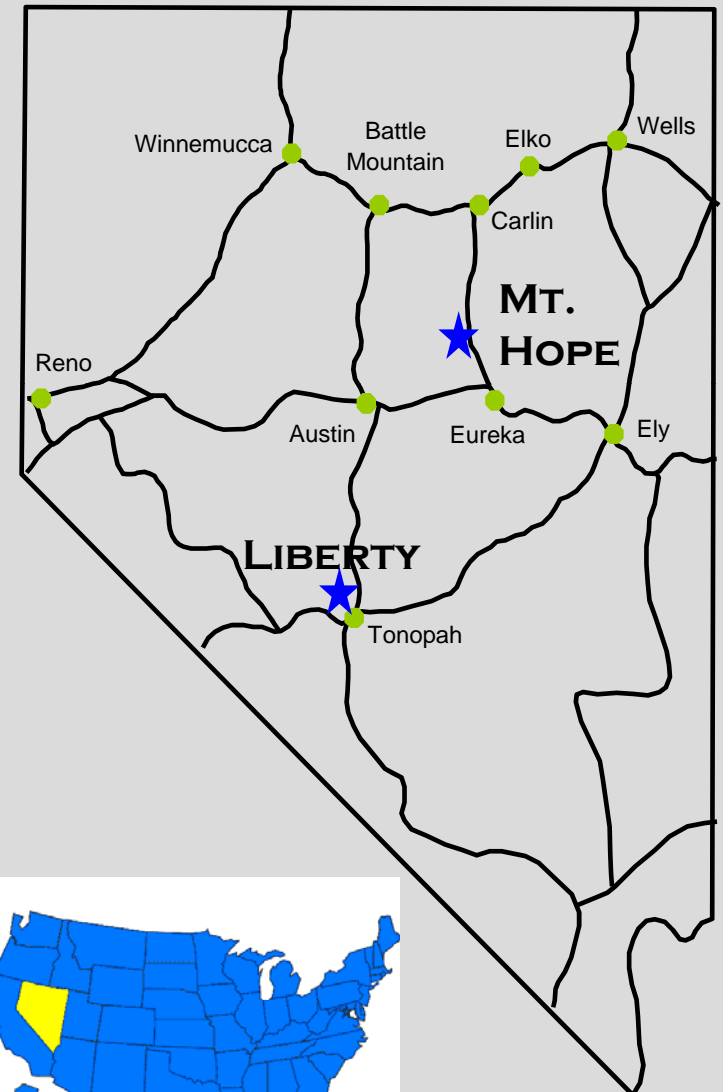
# Asset Quality: Two of the World's Best Moly Assets

## 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 \$1.50-\$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>



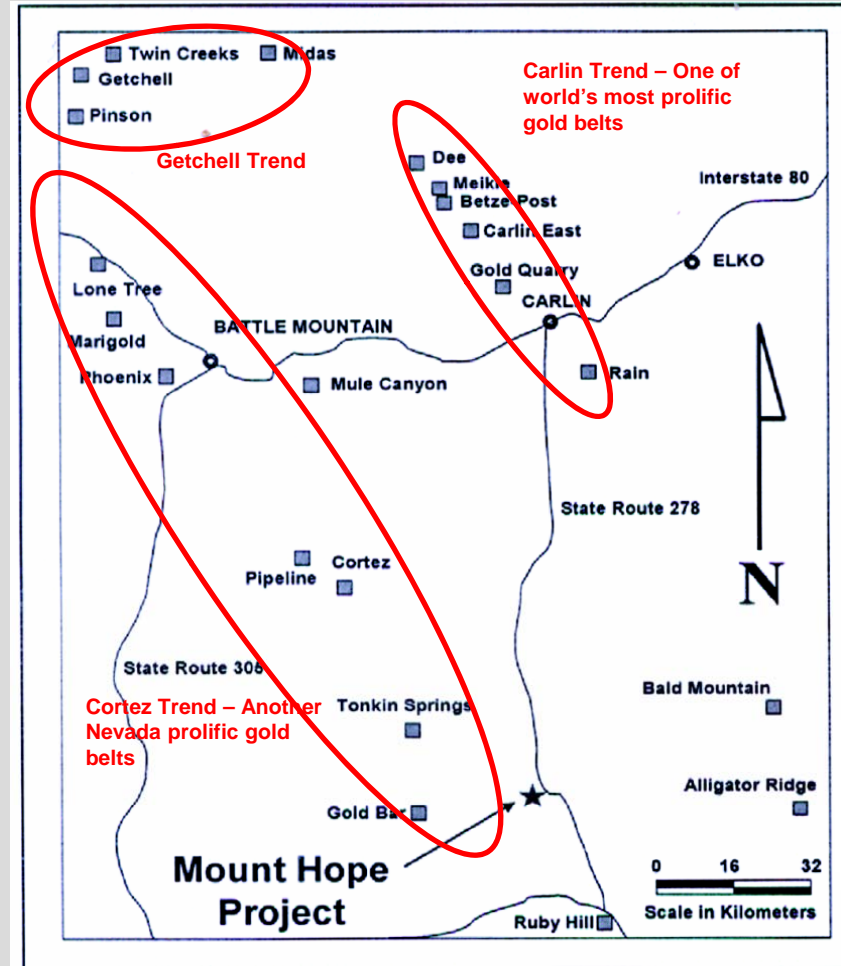
1. Averages over the first five years of production 2. Source: CPM Group 3. Based on the September Mt. Hope Update and the April Liberty pre-feasibility study.



# Asset Quality: Mt. Hope

## Key Project Advantages

1. Mt. Hope located near prolific gold mining districts of northern Nevada near many large-scale open-pit mining operations
2. Project located immediately off state highway, providing easy access to road and rail
3. Project able to “plug in” to existing power grid, providing easy and inexpensive grid power access
4. 5,000 skilled miners within 100 mile radius but nobody living within 10 miles of project
5. Several permitting advantages, including no listed threatened or endangered species, no Native American religious sites, minimal pit lake water, little acid generating waste rock material, and no significant opposition to project.





# Asset Quality: Mt. Hope

## High Grades & Low Costs Drive Economic Value

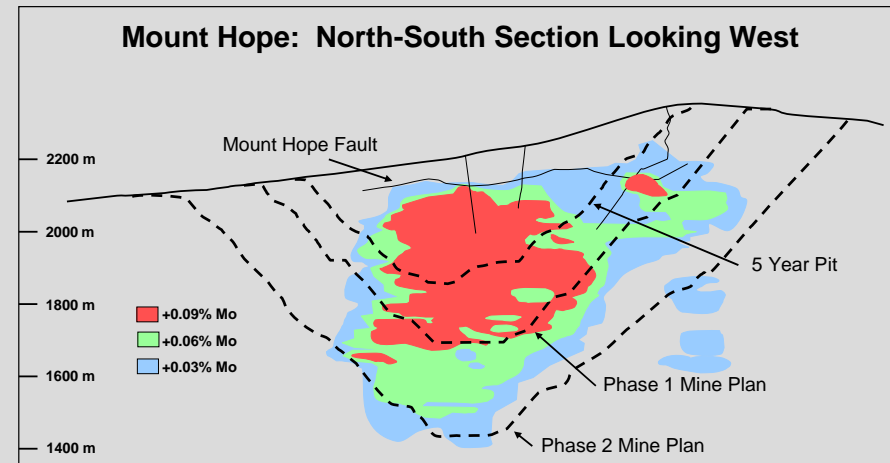
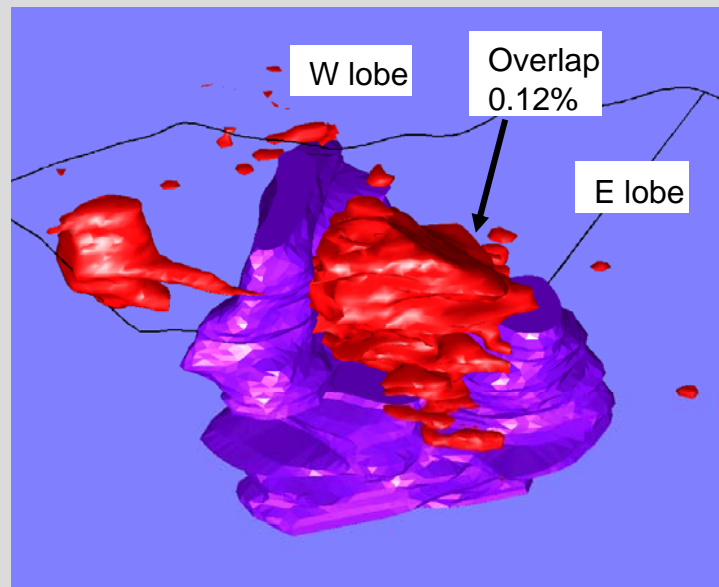
### Production, Costs & Grades (Yr 1-5)

Production	40.1M lbs
Cash Cost/lb	\$5.30-\$5.80
Mill Grade	0.104% Mo
<u>Life of Mine (44 Years)</u>	
Production	1.2 billion lbs
CapEx	\$1,000-\$1,080
Reserve grade	0.068% Mo
Mill Throughput	60,000 tpd



### Project Economics (80% basis) using CPM Pricing

- \$1.50-\$1.58B Net Present Value (NPV) at 8% discount rate, after tax
  - \$18.51 per fully-diluted share
- NPV increases to \$2.2B at 20% higher realized Mo prices (+42%)
  - \$26.35 per fully-diluted share
- At flat Moly prices over \$30 per pound, General Moly's Equity Interest in Mt. Hope is worth \$4 billion
- IRR > 30% and Capital payback < 2.5 yrs



Operating and Capital Parameters from September 2008 BFS Update. Direct Operating Cost are exclusive of royalty obligations.



# Asset Quality: Liberty

## Key Project Advantages

1. The Liberty project has been mined twice previously and the existing pit is open and ready for mining activities.
2. Existing infrastructure from prior owners includes truck shops, electrical distribution equipment, mill foundations, and water distribution, among other items.
3. Project able to “plug in” to existing power grid, providing easy and inexpensive grid power access.
4. Project located primarily on private land, shortening the permitting timeline and avoiding the lengthy EIS process.
5. Other permitting advantages including no listed threatened or endangered species, no Native American religious sites, minimal pit lake water, and strong community support for project.





# Asset Quality: Liberty

## A Significant Moly Project with Copper By-Product

### Production, Costs & Grades (Yr 1-5)

Years 1-5                      19M lbs Moly  
 Years 1-5                      18M lbs Copper

Cost, net of Cu              \$6.15/lb Mo

Moly Mill Grade            0.091% Mo

Copper Mill Grade        0.102% Cu

### Life of Mine (33 Years)

Moly Production        503M lbs

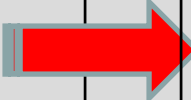
Copper Production    387M lbs

CapEx                        \$492 million

Mo Grades                 0.068% Mo

Cu Grades                 0.071% Cu

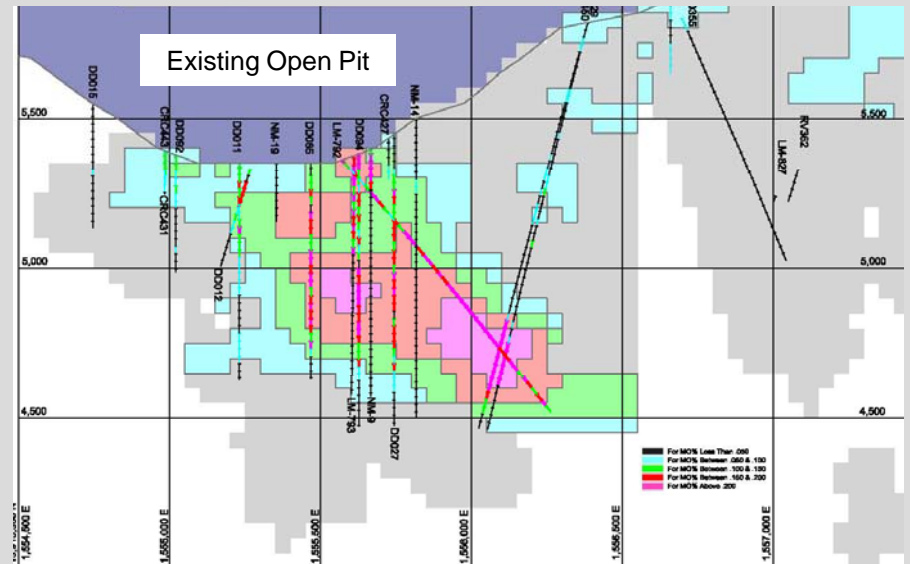
Plant Throughput    35ktpd



### Project Economics using Oct. '07 CPM Pricing

- \$356M Net Present Value (NPV) at 10% discount rate, after tax
  - \$4.28 per fully-diluted share
- \$514M NPV at 8% discount rate
  - \$6.18 per fully-diluted share
- 10% NPV increases to \$623M at 20% higher realized Mo prices (+75%)
  - \$7.49 per fully-diluted share
- IRR of 22% and Capital Payback of 3.5 Years

Price Per Lb Forecast (CPM Group)			
Year	Mo/Lb	Cu/Lb	Realized Cu (\$/lb)
2013	\$19.50	\$1.86	\$1.48
2014	\$16.00	\$1.50	\$1.12
2015	\$15.00	\$1.50	\$1.12
2016+	\$14.75	\$1.50	\$1.12



Operating and Capital Parameters from April 2008 PFS



# Risk Mitigation at Mt. Hope: Joint Venture with POSCO



## Project 80% Owned by General Moly

- GMO to sell ~32 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



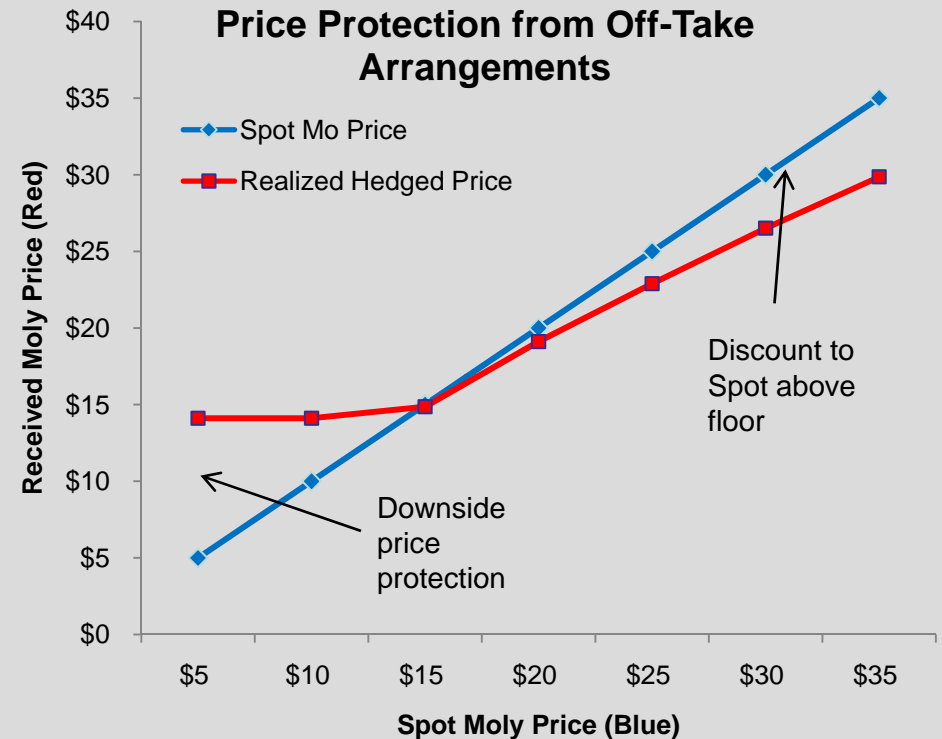


# Risk Mitigation at Mt. Hope: Off-take agreements insulate against price risk

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>

1. All off-take agreements commence only when Mt. Hope reaches commercial levels of production and do not incorporate a "take-or-pay" provision.



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



# Risk Mitigation at Mt. Hope: Straightforward Federal Permitting

## Federal Environmental Impact Statement (EIS) Overview

Company works with BLM and Enviroscientists to compile baseline studies & Draft EIS	Mid 2006 to Mid 2008
Upon Completion of Draft EIS, it is published for public comment	Q4 2008
BLM and Company work together to address public comments and publish Final EIS for second public comment period	Q1 2009
Following second public comment period, BLM issues Record of Decision (ROD), granting GMO access to mine BLM land	Mid 2009

### Permitting Mt. Hope is straightforward:

- Mt. Hope expected to be a zero discharge facility - no water planned to be re-introduced into environment
  - 60% of process water planned to be recycled into plant
- Extensive hydrological modeling suggests minimal impact to other local water sources
  - Local water impact can be easily mitigated
  - General Moly owns sufficient water rights through purchases of local ranches
- Scrubbers on roasting facility expected to capture 99% of sulfur emissions
- Pit de-watering rates expected to be significantly less than large gold mines in Nevada
  - Pit water planned to be used in processing; reduces need for fresh water
- Tailings facility planned to be fully lined, beyond legal requirements
- No significant cultural sites identified



## Risk Mitigation at Mt. Hope: Permitting Progress to Date

- Plan of Operations updated and determined complete by BLM
- All EIS baseline complete with exception of Hydro and Pit Lake Models which will be completed this month
- Preliminary EIS Chapters completed and in review process
- Air Quality Permit Application submitted to Bureau of Air Quality and administratively complete. (Q1 09 Anticipated Receipt)
- Water Pollution Control Permit application submitted to Bureau of Mines Regulation and Reclamation and administratively complete (Q1 09 Anticipated Receipt)
- Reclamation Plan/Permit Application submitted to Bureau of Mines Regulation and Reclamation and under review
- Permit to Construct an Impoundment (Tailing Facility) Application submitted to Nevada Division of Water Resources (Q1 09 Anticipated Receipt)



# Mt. Hope Financing: Equity Portion of Capital Structure Largely Completed

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>
<b>Remaining Project Finance Requirement:</b>	<b>\$590 - \$690 Million</b>

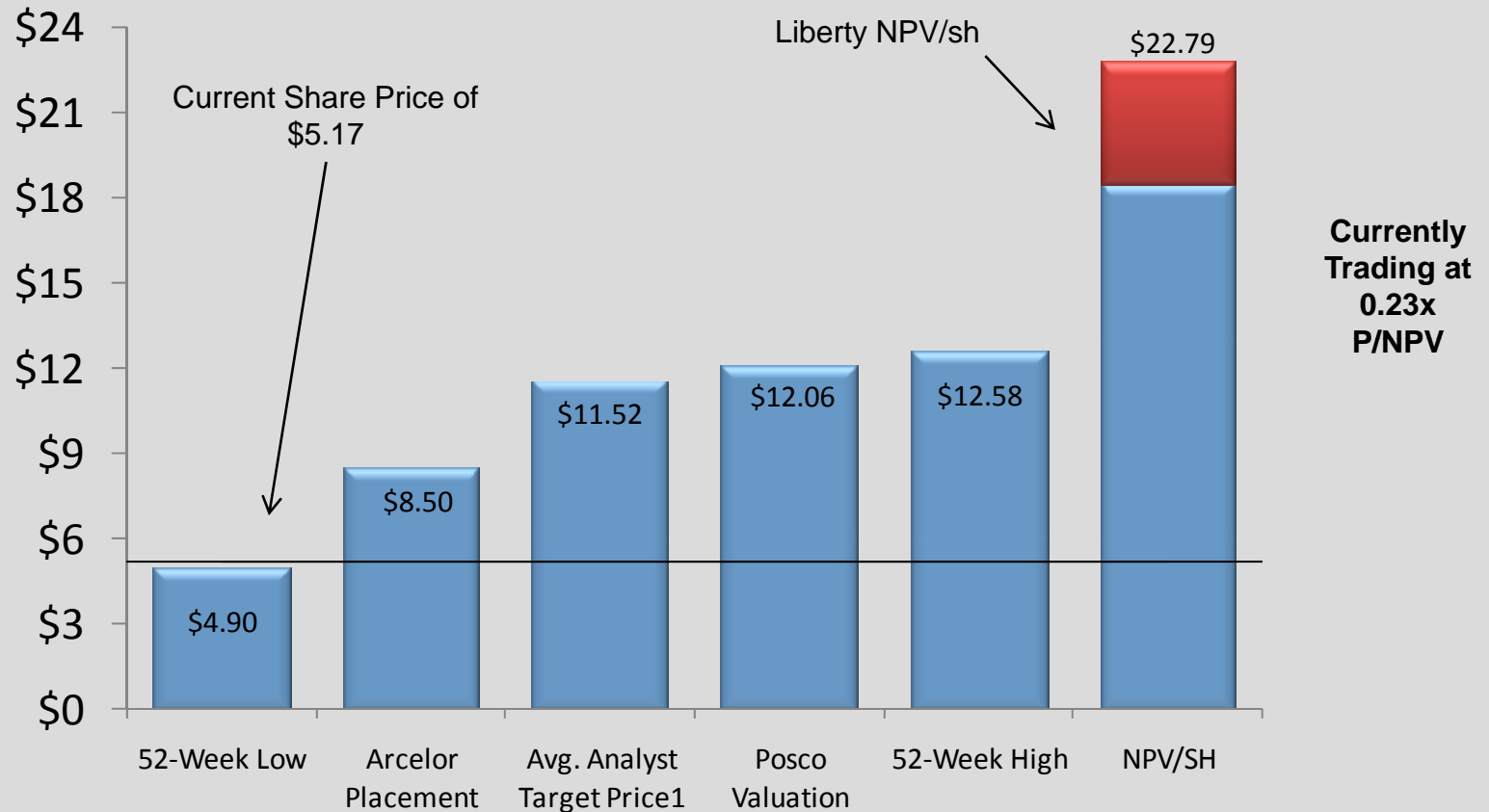
## Focus: Maximize leverage and minimize dilution

- 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



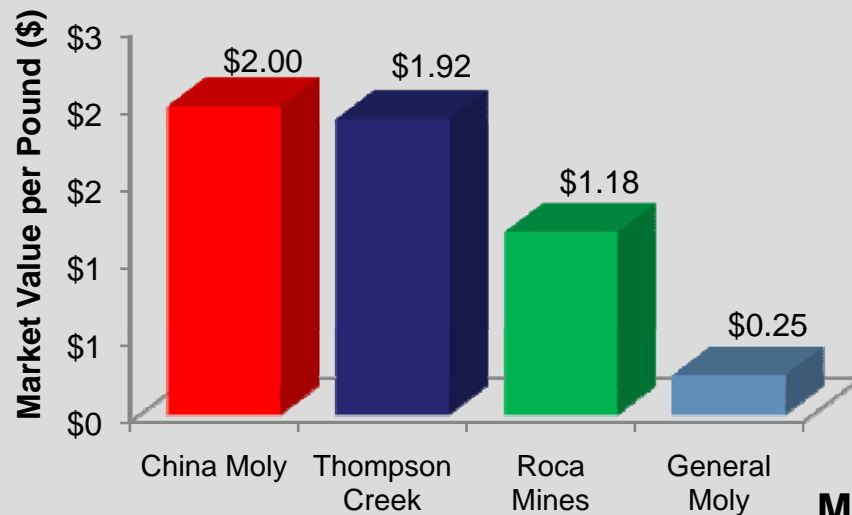
Trading to average analyst target price represents price increase of 123%  
Trading to Company NPV represents price increase of 341%

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



# General Moly Value: Producing Companies Enjoy Valuation Premium

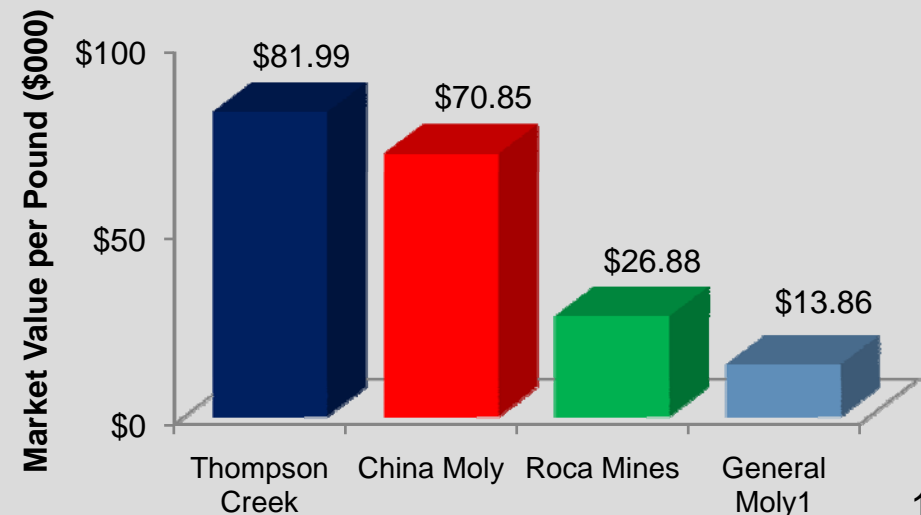
### Market Valuation / Resource Pound



- Producing Molybdenum companies enjoy valuation premium between 4.7x and 8x General Moly's current market valuation, based on resource size

- Applying TCM's market valuation per produced pound to Mt. Hope's annual production would yield a market value in excess of \$2.5 billion

### Market Valuation / Annual Production





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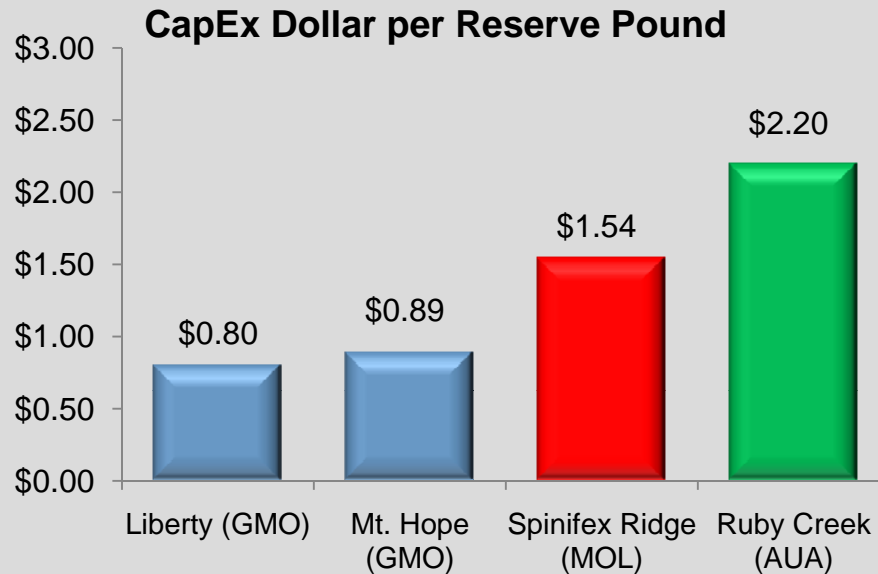


# Appendix



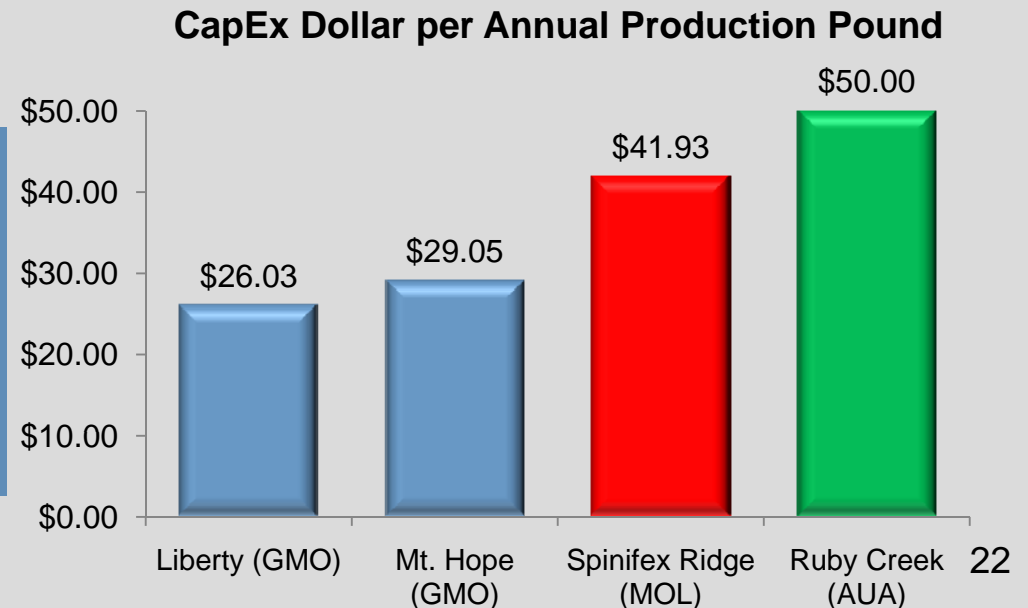


# Mt. Hope Financing: Mt. Hope makes efficient use of Capital



- At Mt. Hope, each pound of Molybdenum costs \$0.89 in Capital to develop and \$29 in Capital to produce
- At Liberty, each pound of Moly costs \$0.80 in Capital to develop and \$26 in Capital to produce

General Moly's two properties make more efficient use of capital in terms of total reserves and annual production than either Moly Mines or Adanac



Source: Company Reports,



# Mt. Hope Financing: Unique Economic & Logistical Drivers



## Economic Drivers

Early High Grades



X

X

US Dollar Cost Structure



X

X

Fully Integrated Roaster



X

X

Low Effective Tax Rate



X

X

## Logistics and Risks

Easy Access to Power Grid



X

X

Easy Access to Trucking & Rail



X

X

Not Fly In/Fly Out



X

X

Temperate Weather Conditions



X



# Moly Market: Properties & Uses – Demand Growing

## Modern Metal for Sophisticated Applications

- Utilized in Steel to:
  - Increase Metal Strength
  - Increase Corrosion Resistance
  - Reduces Thermal Expansion

## Limited Substitutes

- Requires approx. 2x Nickel for Strength
- No Equal for Corrosion resistance
- Inelastic Demand (not price sensitive)

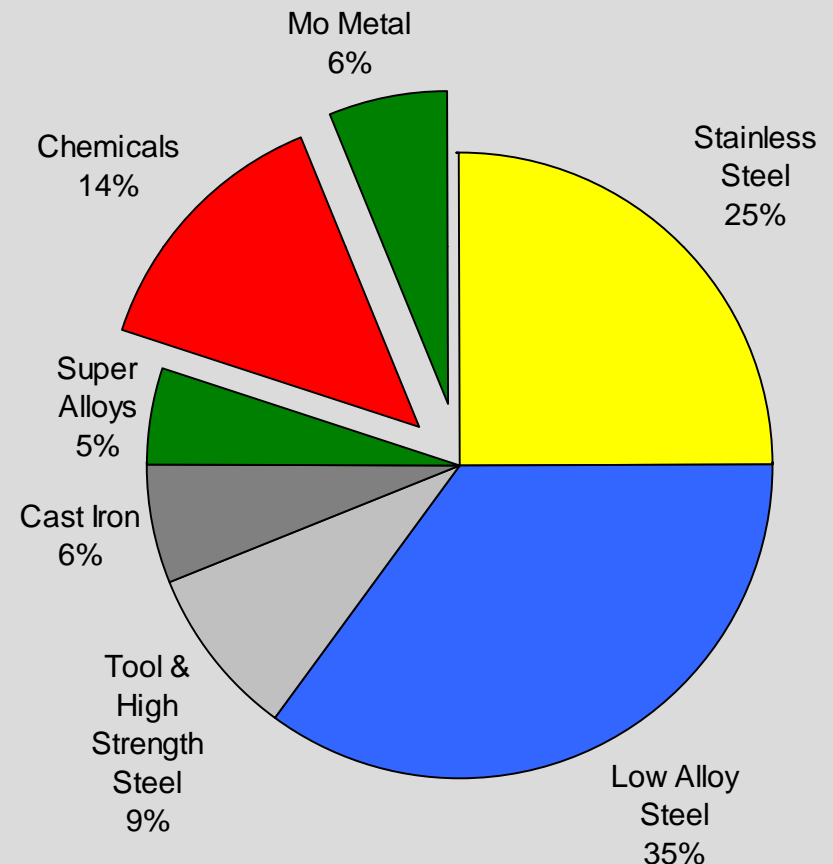
## Growth in Moly demand driven by Steel

- Steel output grew 7.5% in 2007
- Projected to grow 6.8% in 2008
- Sprott estimates Moly growth of 8% in 2008

## Users generally insensitive to price

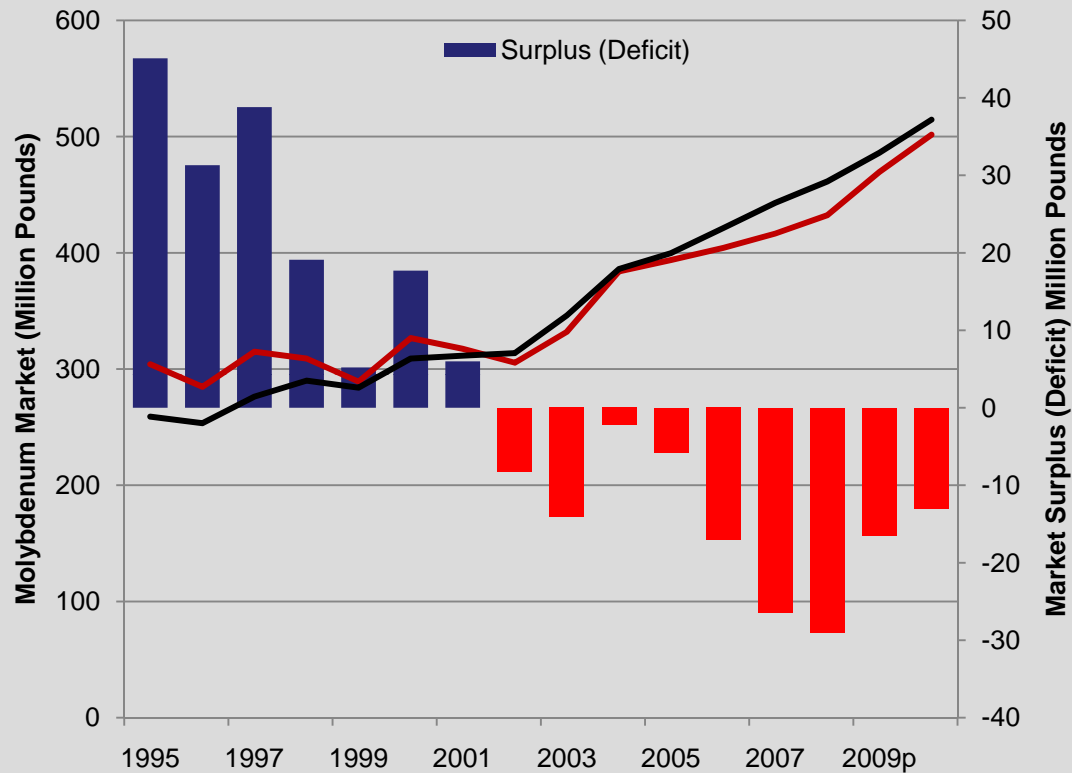
- Oil & Gas pipeline moly utilization between 0.1% - 0.4% Mo by weight

## Molybdenum Uses

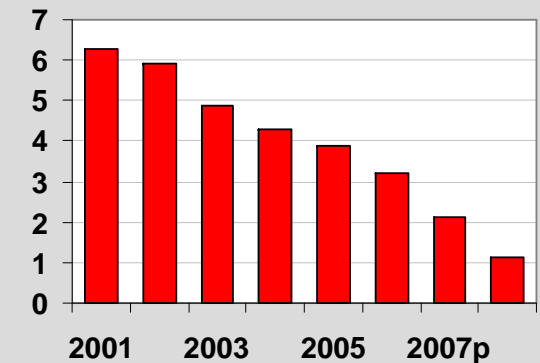




# Moly Market: Demand Growth Causing Supply Deficit



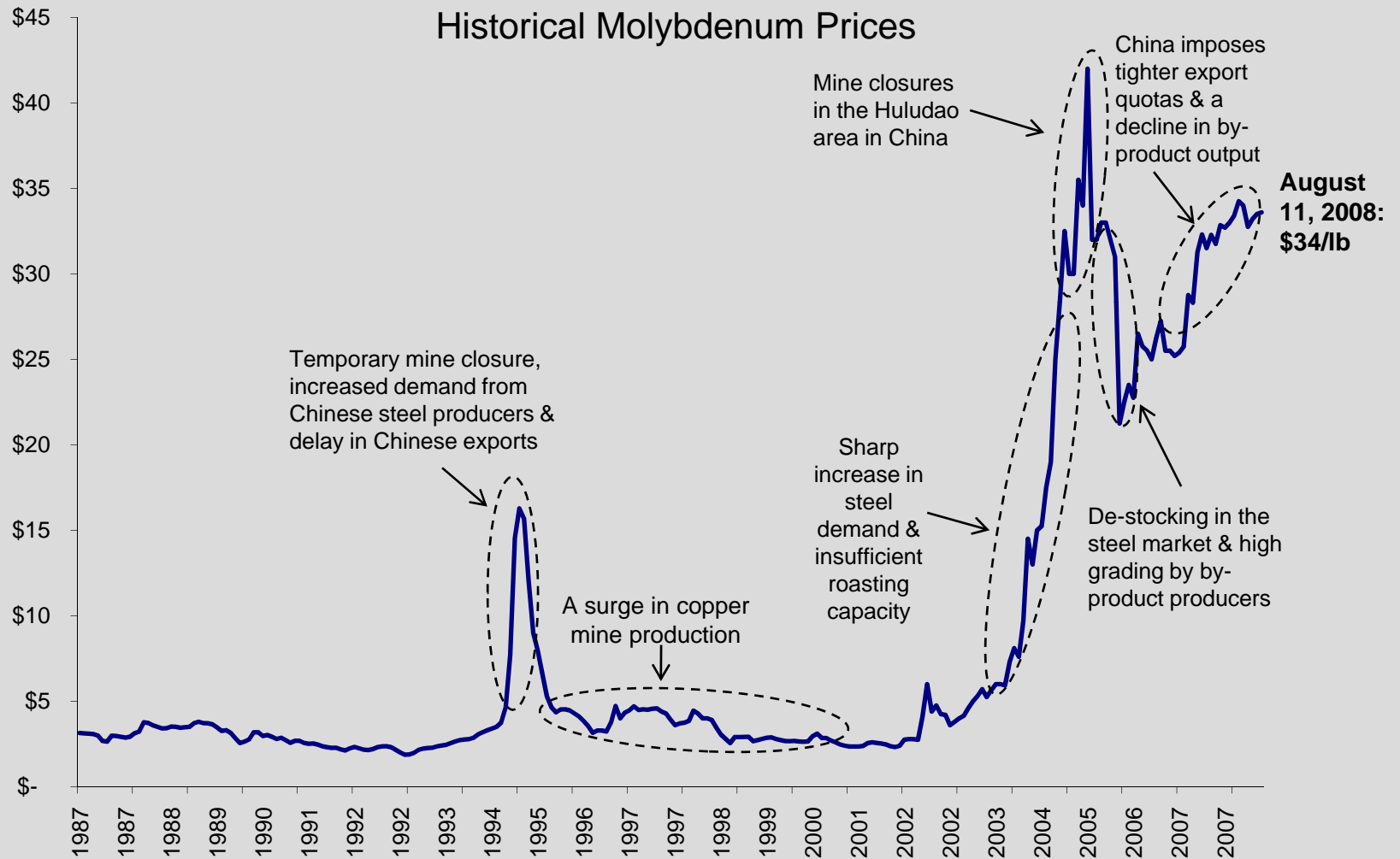
Months of Global Demand



Global Moly inventories that represented 6+ months of global demand in 2001 projected to fall to just over 1 month of demand in 2008



# The Molybdenum Market – Price History and Events



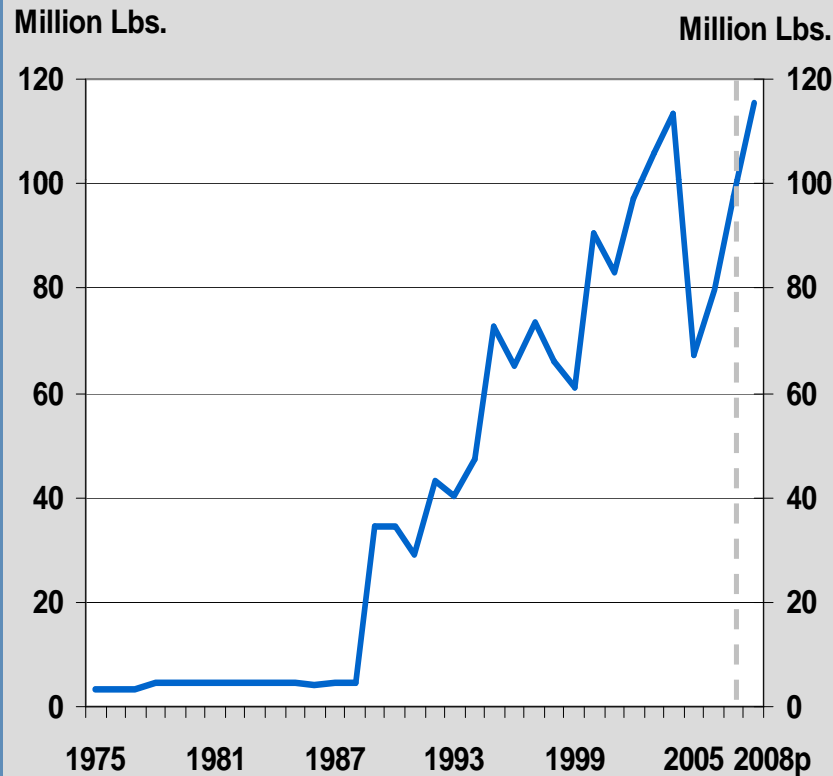
Sources: Prudential Research, Market Friendly, CPM Group



# China – The Wild Card

## Chinese Moly Mine Production

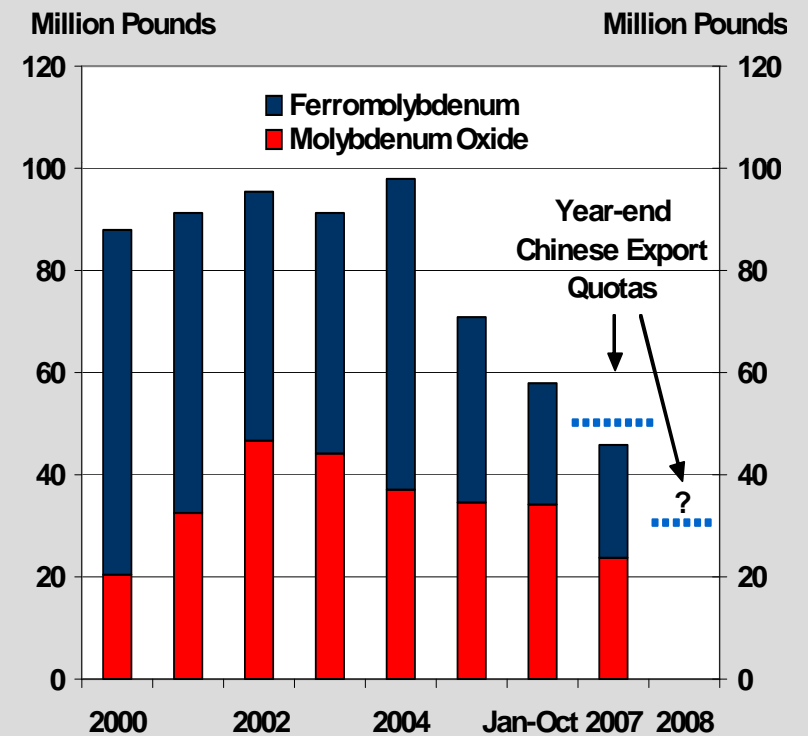
Annual, Projected through 2009p



Source: CPM Group

## Chinese Exports of Moly Oxide and Ferromoly

Annual, 2007 data through October



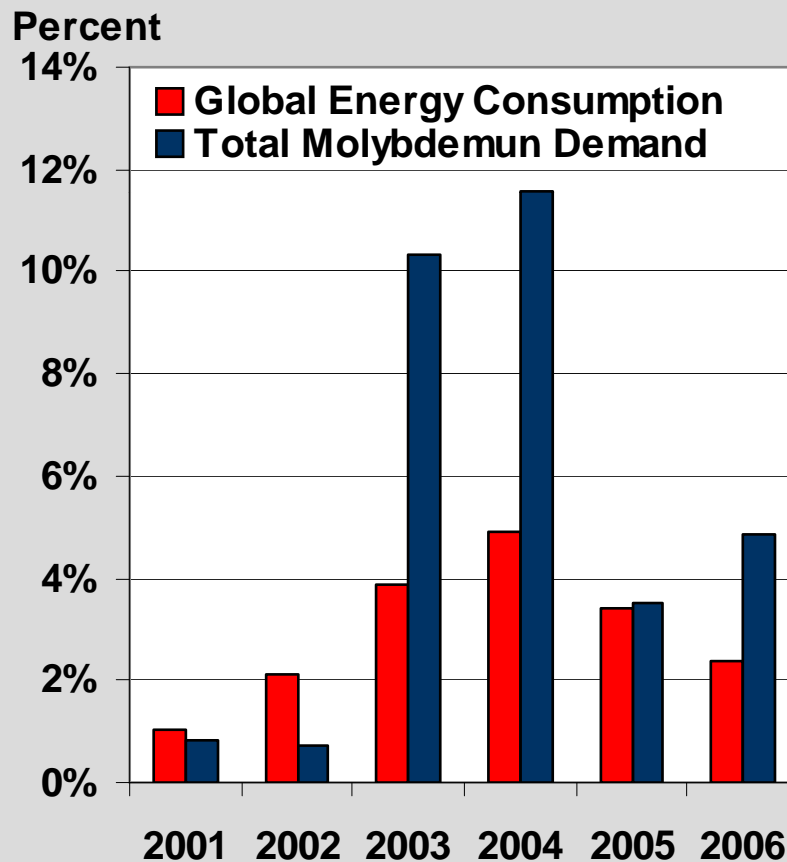
Source: CPM Group



# Molybdenum and Crude Oil

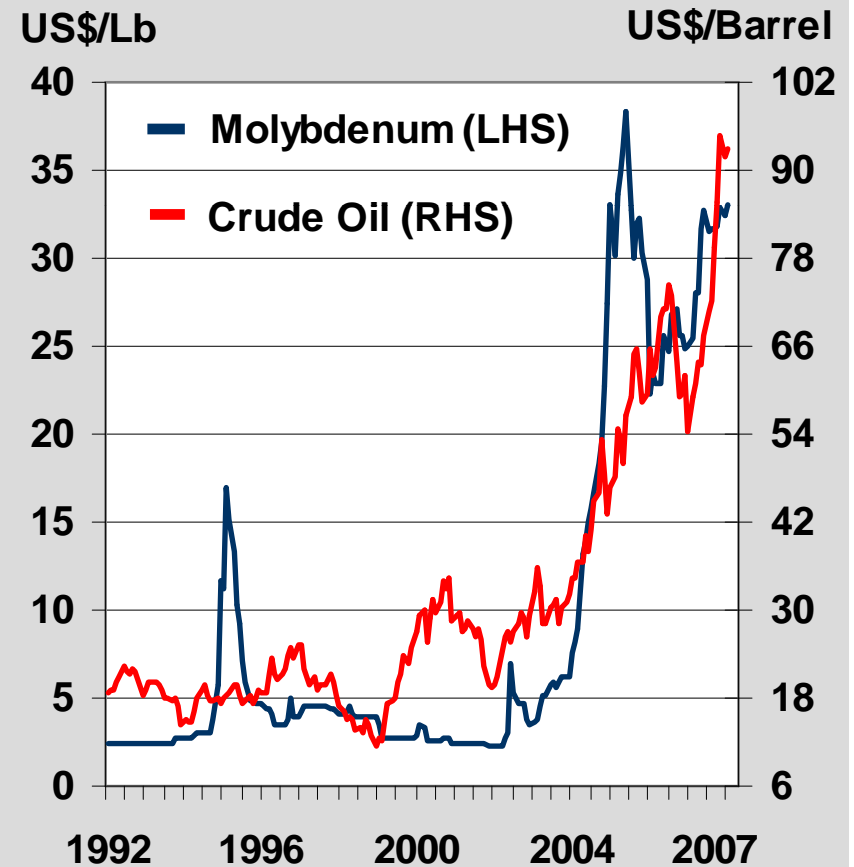
## Growth in Global Energy and Moly Demand

Annual Percentage Change



## Monthly Molybdenum and Crude Oil Prices

Through January 2008

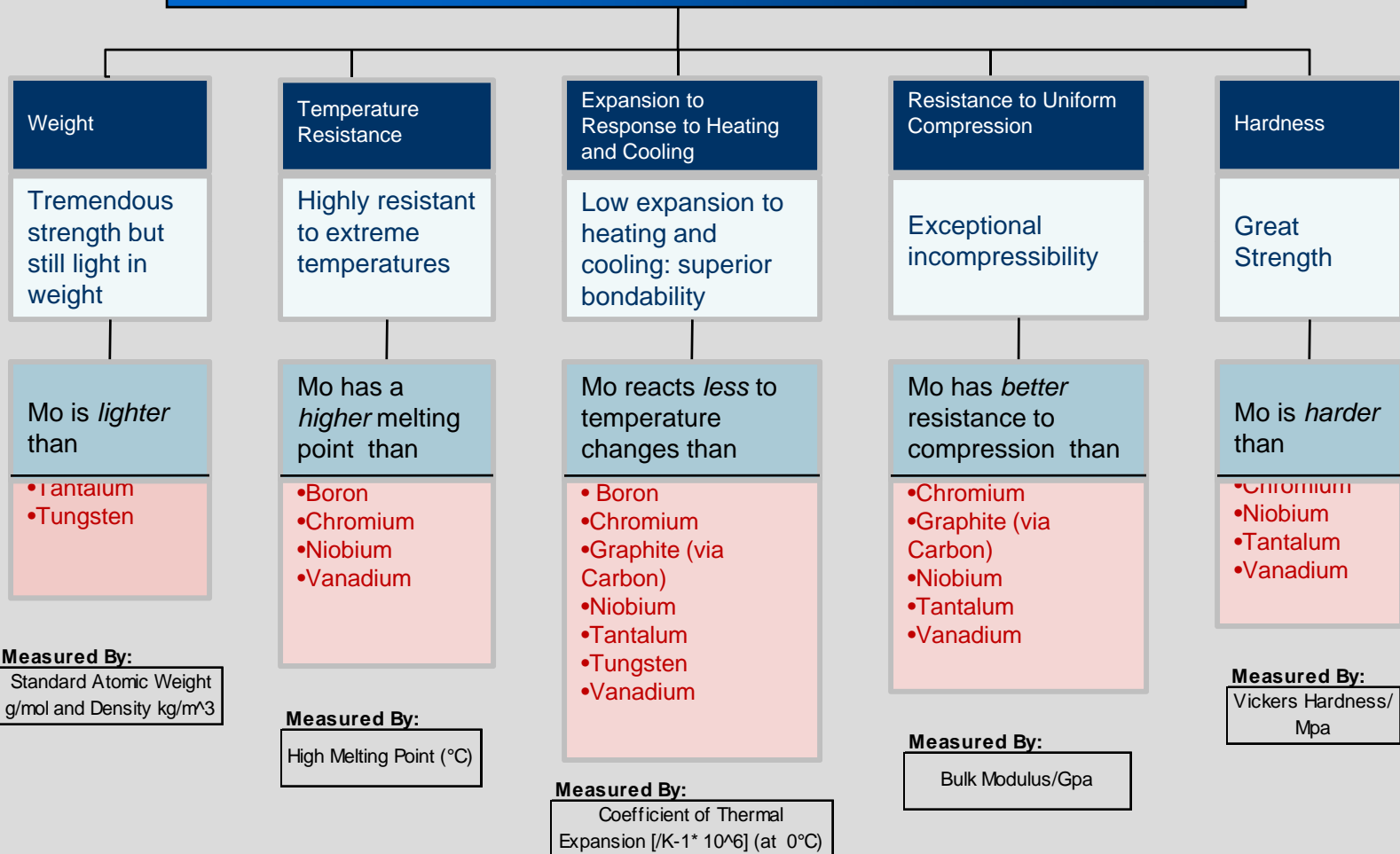


Source: CPM Group



# Substitute Comparison: By Metal Properties

## Molybdenum's Physical Properties





# Mt. Hope – Surrounding Area Includes Infrastructure

