

General Moly, Inc
Form 10-Q
November 08, 2018
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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 September 30, 2018

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

For the transition period from to

Commission File Number: 001-32986

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General Moly, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE	91-0232000
(State or other jurisdiction of incorporation or organization)	(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)

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, a 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.

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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 November 6, 2018, was 137,114,804.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GENERAL MOLY, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except par value and share amounts)

	September 30, 2018 (unaudited)	December 31, 2017
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,660	\$ 6,676
Deposits, prepaid expenses and other current assets	25	114
Total Current Assets	1,685	6,790
Mining properties, land and water rights	228,154	226,250
Deposits on project property, plant and equipment	88,112	87,893
Restricted cash held at EMLLC	8,175	9,911
Restricted cash held for loan procurement	-	962
Restricted cash and investments held for reclamation bonds	819	825
Non-mining property and equipment, net	45	78
Other assets	3,066	3,066
TOTAL ASSETS	\$ 330,056	\$ 335,775
LIABILITIES, CRNCI, AND EQUITY:		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,240	\$ 602
Accrued advance royalties	500	500
Total Current Liabilities	1,740	1,102
Provision for post closure reclamation and remediation costs	1,743	1,704
Accrued advance royalties	5,700	5,700
Accrued payments to Agricultural Sustainability Trust	5,500	4,000
Long term debt	1,340	1,340
Senior Convertible Promissory Notes	5,791	5,745
Return of Contributions Payable to POS-Minerals	33,641	33,641
Other accrued liabilities	2,125	2,125
Total Liabilities	57,580	55,357

COMMITMENTS AND CONTINGENCIES - NOTE 12

CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST ("CRNCI")	172,266	172,633
EQUITY		
Common stock, \$0.001 par value; 650,000,000 and 650,000,000 shares authorized, respectively, 127,963,804 and 125,802,023 shares issued and outstanding, respectively	128	126
Additional paid-in capital	289,063	288,041
Accumulated deficit during exploration and development stage	(188,981)	(180,382)
Total Equity	100,210	107,785
TOTAL LIABILITIES, CRNCI, AND EQUITY	\$ 330,056	\$ 335,775

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

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CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited — In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
REVENUES	\$ —	\$ —	\$ —	\$ —
OPERATING EXPENSES:				
Exploration and evaluation	379	302	685	576
General and administrative expense	2,473	1,660	7,707	4,753
TOTAL OPERATING EXPENSES	2,852	1,962	8,392	5,329
(LOSS) FROM OPERATIONS	(2,852)	(1,962)	(8,392)	(5,329)
OTHER INCOME/(EXPENSE):				
Interest expense	(186)	(205)	(574)	(719)
TOTAL OTHER (EXPENSE)/INCOME, NET	(186)	(205)	(574)	(719)
(LOSS) BEFORE INCOME TAXES	(3,038)	(2,167)	(8,966)	(6,048)
Income Taxes	—	—	—	—
CONSOLIDATED NET (LOSS)	\$ (3,038)	\$ (2,167)	\$ (8,966)	\$ (6,048)
Less: Net loss attributable to CRNCI	5	6	367	21
NET LOSS ATTRIBUTABLE TO GMI	\$ (3,033)	\$ (2,161)	\$ (8,599)	\$ (6,027)
Basic and diluted net loss attributable to GMI per share of common stock	\$ (0.02)	\$ (0.02)	\$ (0.07)	\$ (0.05)
Weighted average number of shares outstanding — basic and diluted	127,964	111,168	127,566	111,141
COMPREHENSIVE (LOSS)	\$ (3,033)	\$ (2,161)	\$ (8,599)	\$ (6,027)

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

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GENERAL MOLY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited — In thousands)

	Nine Months Ended	
	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net loss	\$ (8,966)	\$ (6,048)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	1,839	200
Non-cash interest expense	46	165
Income realized on lease of water rights	(13)	(12)
Stock-based compensation for employees and directors	598	65
Decrease in deposits, prepaid expenses and other	89	82
Increase (decrease) in accounts payable and accrued liabilities	498	(156)
(Decrease) increase in post closure reclamation and remediation costs	(38)	11
Net cash used by operating activities	(5,947)	(5,693)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase and development of mining properties, land and water rights	(1,980)	(1,805)
Deposits on property, plant and equipment	(116)	(74)
Net cash used by investing activities	(2,096)	(1,879)