



GENERAL MOLY

Meeting Our Goals

2012 ANNUAL REPORT





General Moly is developing two of the largest and highest-grade primary molybdenum projects in the world, both located in Nevada, U.S.A.

The Company is further differentiated by its strategic partnerships, which underpin both its financing and commitment to customers.

Received Federal
**RECORD OF
DECISION**
for Mt. Hope

Received all
**STATE OF NEVADA
PERMITS**
necessary for the construction of Mt. Hope

Initiated
**PRE-CONSTRUCTION
ACTIVITIES**
*at Mt. Hope, including cultural clearance,
grubbing, grading and water line installation*

Nevada State Engineer's
issuance of
**WATER
PERMITS**
for Mt. Hope



Nevada State District Court
affirmed rulings approving
**WATER
RIGHTS**
for Mt. Hope

Received
\$100 MILLION
*contribution payment from POSCO for
construction of Mt. Hope*

Working towards
**FULL
FINANCING**
for Mt. Hope

Nevada State Engineer
APPROVED
*Mt. Hope's Monitoring, Management
and Mitigation water plan*

DEAR FELLOW SHAREHOLDERS,

We couldn't be prouder of how far General Moly has come during the past year.



The Company made important progress on multiple fronts and achieved a number of milestones. General Moly has transitioned from an explorer to a project developer, and in the process has taken significant steps toward our ultimate goal of becoming the largest pure-play molybdenum producer in the world.

“General Moly achieved our goal of securing both the federal and Nevada state permitting needed to construct and operate Mt. Hope.”

The best way to understand where we are and where we are heading is to look back at where we have been focusing our attention:

1. Permitting
2. Financing
3. Construction

Permitting

We have come furthest with our project permitting. Put simply, in 2012 General Moly achieved our goal of securing both the federal and Nevada state permitting needed to construct and operate Mt. Hope.

On the federal side, the public comment period for the Preliminary Environmental Impact Statement (EIS) concluded early in the year, and the Final EIS was completed in the autumn. We received our Record of Decision (ROD) from the Bureau of Land Management (BLM) in November. This was the culmination of six years of hard work and dedicated effort from our team and the BLM, with significant input from cooperating and commenting agencies as well as the general public.

In the same time frame, we received all of our remaining operating permits from the Nevada Division

of Environmental Protection. This included receipt of the Class II Air Quality Permit, the Reclamation Permit and the Water Pollution Control Permit.

In addition, the grant of our water rights was affirmed by the Nevada State District Court. Although an appeal has been filed in the Nevada Supreme Court, we remain confident that the grant of our water permits will be upheld. Further, the Nevada State Engineer (NSE) approved our Monitoring, Management and Mitigation Plan for Mt. Hope. It is also the subject of an appeal, to the Nevada State District Court, though we remain confident it will be upheld. In early 2013, a motion for preliminary injunction was filed against the BLM, seeking to prevent the construction of the Mt. Hope mine. We believe the process and work conducted by the BLM and other government agencies was thorough and defensible and that the challenge is without merit.

We will continue working closely and collaboratively with all of our stakeholders as we move aggressively from a successful permitting process to finalizing our project financing, and constructing and operating Mt. Hope in an environmentally and socially responsible manner.

Financing

Project financing for Mt. Hope is also moving forward. We are continuing to work with Hanlong, a private Chinese conglomerate, and are potentially seeking additional Chinese partners to secure a complete financing package. Moreover, the commitment from POSCO, a South Korean steel-maker, and 20% joint venture partner in the Mt. Hope Project, remains strong. Late last year, after receipt of our federal and state permits for Mt. Hope, POSCO made a contribution payment of approximately \$100 million.

Construction

With funds from POSCO in hand, we initiated preliminary construction activities—including cultural clearance, clearing and grubbing, and wood harvesting—and began the development of wells and water pipelines at Mt. Hope. Heavy construction is set to commence after full financing has been secured.

To date, we have completed field mitigation activities for all 29 cultural sites identified in the Phase I Cultural Mitigation of the initial construction program. Official releases from the BLM and the State Historical Preservation Office have been obtained for all 29 cultural sites and we have advanced into Phase II of our Cultural Mitigation activities. Also, more than 1,400 acres have been cleared and grubbed as we plan for the construction of the administrative office and mill site

areas. In addition, we are establishing a water pipeline corridor in preparation for developing a well field and water distribution system to support heavy construction activities.

Outlook

2012 was an exciting year for the Company and its stockholders, and we intend to extend and expand our momentum in 2013. We are



“2012 was an exciting year for the Company and its stockholders, and we intend to extend and expand our momentum in 2013.”

confident that we will continue to make meaningful progress toward completion of our project financing, after which we will transition into heavy construction at Mt. Hope. Our ability to execute against our objectives has and will continue to significantly “de-risk” the Mt. Hope Project as we progress toward initial production. It also positions us to push forward with feasibility work and permitting for Liberty, our second world-class asset.

Despite a 2012 price pullback caused by softer demand for steel production and manufacturing, the outlook for molybdenum (moly) remains robust. Our confidence in moly’s growth profile is supported by energy infrastructure investments and growing intensity of use in the emerging world, as countries such as China move up the value chain to produce and consume higher-grade steels. With demand expected

to grow at approximately 4.6% per year through 2020, the moly market will expand from its current level of approximately 530 million pounds per year to nearly 800 million pounds per year by the end of the decade. Given that high-cost Chinese molybdenum producers buffer any price decline, and the distinct possibility that a supply constraint or demand spike could trigger sharp appreciation in moly value, we anticipate that the price has much more upside than downside in the near and long term.

We appreciate the support of our stockholders, our strategic partners, and our Board, who together have been invaluable to this Company’s development. We also want to commend our 41 employees, who were critical in getting us to this point and who remain focused on executing against our objectives and realizing value for our stockholders.



Sincerely,

Patrick M. James
Chairman

Bruce D. Hansen
CEO

The fully permitted Mt. Hope Project is a multi-generational, large-scale, high-grade, lower-cost molybdenum deposit. Located in a stable jurisdiction, Mt. Hope has access to water and power, a large local pool of experienced miners, and convenient road and rail transportation links. The Project is supported by deep relationships with strategic partners, which underpin both its financing and commitment to customers.

NEVADA, U.S.A.

Mt. Hope Project

1.3 BILLION
lbs of moly

*contained in proven and
probable reserves*



40+ YEAR
mine life

*Estimated mine life of
more than 40 years*



40 MILLION
lbs / year

*anticipated to be produced at Mt. Hope
over first five years (100% basis)*



\$5.29 / lb

*Average estimated operating costs
during first five years of production*

POSCO

*Joint venture with POSCO, one of
the world's largest steel companies*

100%

*of production committed
during the first five years*

NEVADA, U.S.A.

Liberty Project

A wholly owned follow-on project. Major infrastructure is already in place at Liberty from previous operations at the mine site.

The project also has fully permitted water rights, strong transportation links and sits adjacent to utility power. Liberty is largely located on private land, which is expected to allow for a shorter and simpler permitting process. Baseline metallurgical studies are currently in progress to prepare permit applications. Work on a Bankable Feasibility Study will commence after the start of heavy construction at Mt. Hope.

Project Highlights

739 MILLION
lbs of moly

anticipated to be produced cumulatively (43-101 report)

893 MILLION
lbs of copper

100%

*owned by General Moly
and royalty free*

20 MILLION
lbs of moly

*and 17 million pounds of copper
per year anticipated to be produced
at Liberty over first five years*

40⁺ YEAR
mine life

*Estimated mine life of
more than 40 years*

\$5.70 / lb

*Average estimated operating costs
during first five years of production*

Our management team has significant major mining company experience and a track record of building, developing and operating world-class mines.

Every member of our team joined the Company because they want to leave their imprint on a world-class project and drive General Moly to its next stage of development.

31
YEARS

of financial and
operational experience
in metals and mining

*“The long-term strategic
partnerships we developed
are critical for our financing
and the cornerstone of our
post-production off-take
commitments.”*

DAVE CHAPUT

Chief Financial Officer



30
YEARS

experience in mining
operations

“As we construct and ultimately begin operations at Mt. Hope, we will apply the highest standards in the industry for environmental and safety, and never lose sight of our commitment to the community in which we live and work.”

MIKE IANNACCHIONE

Vice President and General Manager of Mt. Hope

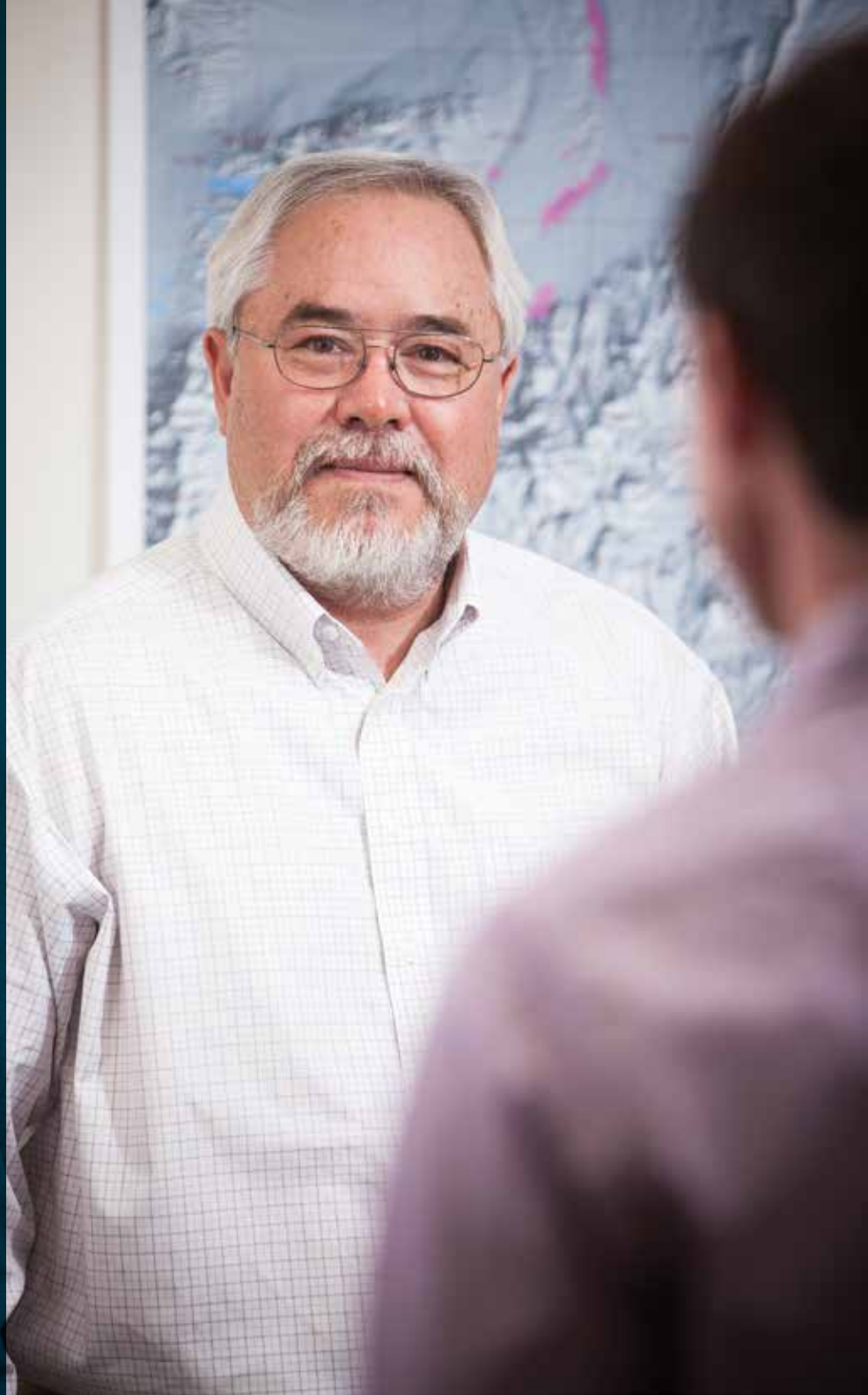
34
YEARS

experience in mine
operations, design,
and mine construction

“We will measure our success at building Mt. Hope by developing the project safely, keeping keenly focused on environmental compliance, and delivering a capital-efficient, quality mine that our operations team can smoothly and rapidly transition into the production phase.”

BOB PENNINGTON

Chief Operating Officer



27
YEARS

of environmental,
permitting and
regulatory compliance
experience in mining
and mill operations

“We are building an industry-leading environmental program at General Moly and developing systems to rigorously manage compliance requirements. Every single person at General Moly is individually committed to environmental protection.”

PAT ROGERS

*Vice President of Permitting and
Environmental Compliance*

Community

As General Moly develops Mt. Hope, we are continuing to work collaboratively with all stakeholders—from public officials to business owners, ranchers, growers, and residents throughout Eureka County—to prepare for and maximize the socioeconomic benefits and opportunities associated with this long-life project. As progress is made, we look forward to continuing our positive contributions to the communities of Eureka County, as well as enhancing the economic development and diversification of northern Nevada.

Eureka, Nevada, was founded by mining prospectors in 1864. Since then, mining—as well as other entrepreneurial mining support enterprises, such as farming, ranching, retail businesses and the service industry—have sustained the towns and communities throughout the county.

We are a proud member of the communities within Eureka County and appreciate the strong local support we have received as we transition Mt. Hope from permitting to construction and ultimately production. General Moly augments the rich history and beneficial legacy of mining, which is the indelible foundation and future of Eureka County.



Sarge Warwick, Manager of Safety, Health, and Security for Mt. Hope, speaks at a General Moly Employment and Career Workshop in Eureka, Nevada

Our Commitment to the Communities of Eureka County

- Extensive and ongoing two-way communication with local residents through numerous open houses, public meetings, site tours, discussion groups, and other events
- Sharing results from a community readiness analysis project with Eureka County representatives and the business community, and partnering with local leadership to plan and prepare for anticipated economic and population growth
- Ensuring that future General Moly employees settling in the region will have access to community health and safety services

Molybdenum Market

Demand for molybdenum has continued its rebound since the global recession. In 2012, the CPM Group estimated global demand for moly at nearly 530 million pounds, and forecasts moly demand to grow at approximately 4.6% annually during the next 10 years, culminating in consumption approaching 800 million pounds annually by the beginning of the next decade.

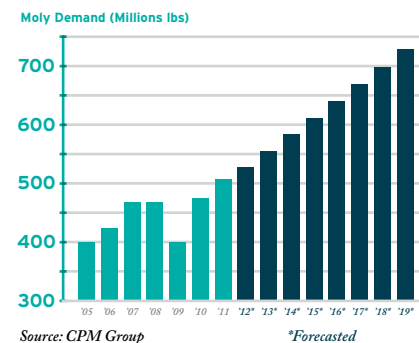
Demand is driven by several factors, including increasing intensity of use in emerging industrial economies such as China, India, Brazil and others. Growing urbanization requires new industrial and power-generating facilities, expanded oil & gas networks and a build-out of intra-city high-speed rail links. Additionally, as these large and growing steel manufacturers move up the “value curve” to produce higher-grade steels, they are driving additional demand for moly. China is a case in point: in 2011, China’s average intensity of use stood at 10 kilograms of moly per 100 metric tons of steel, up from 6.4 kilograms in 2005 but well below the

2011 global average of 15 kilograms. If China’s intensity of use reached the global average, it would need 80 million to 120 million more pounds of moly each year.

The biggest end market for moly demand is the energy sector, with the oil & gas industry, chemical industry (catalysts) and power generation accounting for more than 40% of total consumption. Another 20% of moly demand is consumed in the transportation industry, as auto manufacturers increasingly develop fuel-efficient vehicles dependent on high-strength, low-weight moly-supported steels. Given expanding global energy needs and the proliferation of automobile ownership in emerging markets, continued growth is expected in these sectors during the near and long term.

Although moly prices have not risen in tandem with other base metals such as copper, we anticipate, given the demand outlook presented above, that moly prices have much more upside than downside.

Historical and Projected Global Moly Demand



One factor protecting price downside is the cost structure of the industry. Chinese primary moly producers, which account for more than 30% of global supply, have the highest average cost structure in the industry, with Macquarie Global Research estimating at \$8 to \$13 per pound. Therefore, when moly prices reach this threshold for any prolonged period of time, projects could become uneconomic for some producers, and they may choose to come offline to await improved pricing.

With limited price downside due to the cost structure of the industry and strong underlying demand fundamentals, we are excited about the future of the moly market.

Consolidated Balance Sheets

(In thousands, except per share amounts)

As of December 31,	2012	2011
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	\$ 68,331	\$ 40,709
Deposits, prepaid expenses and other current assets	136	105
Total Current Assets	68,467	40,814
Mining properties, land and water rights – Note 4	170,967	143,732
Deposits on project property, plant and equipment	69,691	66,474
Restricted cash held at EMLLC	36,000	–
Restricted cash held for electricity transmission	12,013	12,005
Restricted cash held for reclamation bonds	6,991	1,133
Non-mining property and equipment, net	605	819
Capitalized debt issuance and loan commitment costs	17,794	3,136
Other assets	2,994	2,994
TOTAL ASSETS	\$ 385,522	\$ 271,107
LIABILITIES, CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY:		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,133	\$ 4,568
Accrued advance royalties	500	8,950
Accrued payments to Agricultural Sustainability Trust and Hanlong	4,000	2,000
Current portion of long term debt	10,906	10,596
Total Current Liabilities	25,539	26,114
Provision for post closure reclamation and remediation costs	627	587
Deferred gain	1,100	1,150
Accrued advance royalties	4,700	–
Accrued payments to Agricultural Sustainability Trust	2,000	2,000
Long term debt, net of current portion	661	131
Other accrued liabilities	875	–
Total Liabilities	35,502	29,982
COMMITMENTS AND CONTINGENCIES – Note 10		
CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST	201,880	98,073
EQUITY		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 91,333,092 and 90,818,248 shares issued and outstanding, respectively	91	91
Additional paid-in capital	270,902	255,894
Accumulated deficit before exploration stage	(213)	(213)
Accumulated deficit during exploration and development stage	(122,640)	(112,720)
Total Equity	148,140	143,052
TOTAL LIABILITIES, CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY	\$ 385,522	\$ 271,107

Audited consolidated financial statements and notes, along with management's discussion and analysis of financial condition and results of operations, are available in our 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission, accessible on our website, www.generalmoly.com.

Consolidated Statements of Operations & Comprehensive Loss

(In thousands, except per share amounts)

	Years Ended December 31,			January 1, 2002* to
	2012	2011	2010	2012
REVENUES	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES:				
Exploration and evaluation	778	1,568	623	40,479
Writedowns of development and deposits	-	3,403	5,038	8,819
General and administrative expense	10,600	10,248	10,919	80,375
TOTAL OPERATING EXPENSES	11,378	15,219	16,580	129,673
LOSS FROM OPERATIONS	(11,378)	(15,219)	(16,580)	(129,673)
OTHER INCOME/(EXPENSE):				
Interest and dividend income	6	21	13	4,068
Interest expense	(548)	(250)	(164)	(962)
Realized gain from sale of mining properties	2,000	-	-	2,000
TOTAL OTHER (EXPENSE)/INCOME, NET	1,458	(229)	(151)	5,106
LOSS BEFORE INCOME TAXES	(9,920)	(15,448)	(16,731)	(124,567)
Income Taxes	-	-	-	-
CONSOLIDATED NET LOSS	\$ (9,920)	\$ (15,448)	\$ (16,731)	\$ (124,567)
Less: Net loss attributable to contingently redeemable noncontrolling interest	-	680	1,008	1,927
NET LOSS ATTRIBUTABLE TO GENERAL MOLY, INC.	\$ (9,920)	\$ (14,768)	\$ (15,723)	\$ (122,640)
Basic and diluted net loss attributable to General Moly per share of common stock	\$ (0.11)	\$ (0.16)	\$ (0.22)	
Weighted average number of shares outstanding – basic and diluted	91,230	90,588	72,987	
COMPREHENSIVE LOSS	\$ (9,920)	\$ (14,768)	\$ (15,723)	\$ (122,640)

*Inception of Exploration Stage

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Consolidated Statements of Cash Flows

(In thousands)

	Years Ended December 31,			January 1, 2002* to
	2012	2011	2010	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	\$ (9,920)	\$ (15,448)	\$ (16,731)	(124,567)
Adjustments to reconcile net loss to net cash used by operating activities:				
Depreciation and amortization	310	412	335	1,954
Interest expense	548	250	164	962
Warrant repricing	–	–	965	965
Stock-based compensation for employees and directors	1,414	1,713	1,641	18,226
(Increase) decrease in deposits, prepaid expenses and other	(31)	43	31	(44)
(Increase) decrease in restricted cash held for electricity transmission	(8)	–	281	(12,013)
(Decrease) increase in accounts payable and accrued liabilities	(3,569)	(10,761)	93	(10,872)
Increase (decrease) in post closure reclamation and remediation costs	40	16	(15)	418
Recognition of income related to option to purchase agreement	(2,000)	–	–	(2,000)
Writedowns of development and deposits	–	3,403	5,038	8,819
Services and expenses paid with common stock	–	–	–	1,990
Net cash used by operating activities	(13,216)	(20,372)	(8,198)	(116,162)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for the purchase of equipment	98	–	(124)	(1,450)
Purchase and development of mining properties, land and water rights	(20,860)	(10,567)	(14,074)	(140,134)
(Deposits)/refunds on property, plant and equipment	(2,158)	177	(25,058)	(70,065)
Proceeds from option to purchase agreement	1,950	935	115	3,100
Increase in restricted cash held for reclamation bonds	(5,858)	–	–	(6,500)
Increase in restricted cash – EMLLC	(36,000)	–	–	(36,000)
Purchase of securities	–	–	–	(137)
Cash provided by sale of marketable securities	–	–	–	246
Net cash used by investing activities	(62,828)	(9,455)	(39,141)	(250,940)

*Inception of Exploration Stage

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Consolidated Statements of Cash Flows

(In thousands)

	Years Ended December 31,			January 1, 2002* to
	2012	2011	2010	2012
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of stock, net of issuance costs	583	19,412	43,103	228,302
Cash proceeds from POS-Minerals Corp.	103,807	–	–	203,807
Increase (decrease) in leased assets, net	(142)	(198)	80	(10)
(Increase) in capitalized debt issuance costs	(582)	(2,249)	(887)	(3,718)
Proceeds from debt	–	–	10,000	10,000
Cash paid to POS-Minerals Corp. for purchase price adjustment	–	–	–	(2,994)
Net cash provided by financing activities	103,666	16,965	52,296	435,387
Increase (decrease) in cash and cash equivalents, net	27,622	(12,862)	(4,958)	68,285
Cash and cash equivalents, beginning of period	40,709	53,571	48,614	46
Cash and cash equivalents, end of period	\$ 68,331	\$ 40,709	\$ 53,571	68,331
NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Equity compensation capitalized as development	\$ 639	\$ 258	\$ 1,121	7,097
Accrued portion of advance royalties	5,200	–	18,450	5,200
Accrued portion of payments to the Agricultural Sustainability Trust and Hanlong	2,000	–	4,000	6,000
Accrued portion of deposits on property, plant and equipment	1,059	1,691	657	1,059
Loan commitment costs	12,076	–	–	12,076
Installment purchase of land	730	–	–	730
Restricted cash held for reclamation bond acquired in an acquisition	–	–	–	491
Post closure reclamation and remediation costs and accounts payable assumed in an acquisition	–	–	–	263
Common stock and warrants issued for property and equipment	–	–	–	1,586

*Inception of Exploration Stage

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Board of Directors



Patrick James
Director and Chairman of the Board



Gary Loving
Director



Andrew Sharkey
Director



Bruce Hansen
Chief Executive Officer and Director



Mark Lettes
Director



Gregory Raih
Director



Nelson Chen
Director



Ricardo Campoy
Director



R. David Russell
Director



Richard Nanna
Director

Management



Bruce Hansen
Chief Executive Officer and Director



David Chaput
Chief Financial Officer



Michael Branstetter
Corporate Secretary



Michael Iannacchione
V.P. and General Manager of Mt. Hope



Robert Pennington
Chief Operating Officer



Pat Rogers
V.P. of Permitting and Environmental Compliance



Scott Roswell
Corporate Counsel and V.P. of Human Resources



Lee Shumway
Controller and Treasurer

Shareholder Information

Investor and Business Development

Securities analysts, investment professionals and stockholders with questions about stock ownership should direct their queries to Scott Kozak, Director of Investor Relations, (303) 928-8591. Stockholders may obtain additional copies of the Company's 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) by visiting our website, www.generalmoly.com, by sending an email to info@generalmoly.com, or by writing to General Moly at 1726 Cole Blvd., Suite 115, Lakewood, CO 80401.

Current or potential customers with questions about molybdenum purchase agreements or strategic investments into the Company or its assets should contact Scott Kozak, Director of Investor Relations, (303) 928-8591.

Media Information

Media members with questions about the Company should contact Zach Spencer, Director of External Communications, (775) 748-6059.

Stock Information

General Moly's transfer agent, Registrar and Transfer Company, can be reached at 10 Commerce Drive, Cranford, NJ 07016.

They can also be reached via phone at 1 (800) 368-5948. At March 31, 2013, the Company had 91.55 million shares outstanding.

General Moly trades under the symbol "GMO" on the NYSE MKT and the Toronto Stock Exchange (TSX).

Prior to October 2007, the Company was named Idaho General Mines, Inc. Share certificates representing Idaho General Mines common stock continue to represent the same number of shares of General Moly common stock. Shareholders are not required to obtain new certificates.

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, metals price and production volatility, global economic conditions, currency fluctuations, increased production or capital costs and variances in ore grade or recovery rates from those assumed in mining plans, exploration risks and results, political, operation and project development risks, including the Company's ability to

maintain required permits to commence production and its ability to raise required financing, adverse governmental regulation and judicial outcomes. The investments by Hanlong in our common stock and the related financing with China Development Bank or other Chinese banks and supply agreement are subject to a number of conditions precedent including, among other conditions described in our public filings, receipt by us of required permits, approvals of Chinese government authorities and negotiation of acceptable loan terms, which may not be fulfilled. 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.

General Moly
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