

General Moly, Inc  
Form DEF 14A  
April 30, 2013  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

General Moly, Inc.  
(Name of Registrant as Specified In Its Charter)

N/A  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:



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**General Moly, Inc.**

**1726 Cole Blvd., Suite 115**

**Lakewood, Colorado 80401**

April 26, 2013

Dear Stockholder:

You are invited to attend General Moly's annual stockholders' meeting. The meeting will be held on June 13, 2013, at 9:00 a.m., local Colorado time, at the Marriott Denver West, 1717 Denver West Boulevard, Golden, Colorado 80401.

At the meeting, stockholders will vote on a number of important matters. Please take the time to carefully read each of the proposals described in the attached proxy statement.

Your vote is important. Whether or not you plan to attend the meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to sign and date the enclosed proxy card and promptly return it in the enclosed postage paid return envelope so that your shares will be represented at the meeting.

**Please note that due to changes in the NYSE rules, brokers are no longer permitted to vote your shares on proposals for the election of directors or on any other non-routine matters if you have not given your broker specific instructions on how to vote your shares. PLEASE BE SURE TO GIVE SPECIFIC VOTING INSTRUCTIONS TO YOUR BROKER SO THAT YOUR VOTES CAN BE COUNTED.**

We look forward to seeing those of you who will be able to attend the meeting.

Sincerely,

Bruce D. Hansen  
Chief Executive Officer

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**General Moly, Inc.**

**1726 Cole Blvd., Suite 115**

**Lakewood, Colorado 80401**

**Notice of Annual Meeting of Stockholders**

**To be Held on June 13, 2013**

April 26, 2013

Dear Stockholder:

We are pleased to invite you to attend General Moly, Inc.'s (the "Company") Annual Meeting of Stockholders (the "Annual Meeting"), which will be held at 9:00 a.m., local Colorado time, on June 13, 2013, at the Marriott Denver West, 1717 Denver West Boulevard, Golden, Colorado 80401. The meeting will be held to:

- elect three Class III members to the Board of Directors to serve until the 2016 Annual Meeting of Stockholders;
- hold an advisory vote to approve executive compensation;
- ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013 and
- act on such other matters as may properly come before the meeting or any adjournment thereof.

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Only stockholders of record on the books of the Company at the close of business on April 26, 2013, the record date fixed by the Board of Directors, are entitled to notice of and to vote at the Annual Meeting and at any postponements or adjournments thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be available for inspection by stockholders during normal business hours at our corporate headquarters at 1726 Cole Boulevard, Suite 115, Lakewood, Colorado 80401 during the 10 days before our Annual Meeting and at the Annual Meeting.

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It is important that your shares be represented at the Annual Meeting regardless of the size of your holdings. Whether or not you expect to attend the Annual Meeting, please complete, date and sign the enclosed proxy and return it in the enclosed postage paid return envelope, which does not require postage if mailed in the United States. If you choose to attend the Annual Meeting, you may still vote your shares in person even though you have previously returned your proxy. If your shares are held in a bank or brokerage account, please refer to the materials provided by your bank or broker for voting instructions. The proxy is revocable at any time prior to its use.

Sincerely,

Michael K. Branstetter  
Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING  
TO BE HELD ON JUNE 13, 2013**

The Company's proxy statement, form of proxy card and 2012 annual report to stockholders are available at: [www.generalmoly.com](http://www.generalmoly.com).

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**General Moly, Inc.**

**1726 Cole Blvd., Suite 115**

**Lakewood, Colorado 80401**

**PROXY STATEMENT**

Relating to  
Annual Meeting of Stockholders  
To be held on June 13, 2013

We are sending this proxy statement to the holders of our common stock, \$0.001 par value, in connection with the solicitation by our Board of Directors (the Board) of proxies to be voted at the General Moly, Inc. (the Company, we, or us, or our) Annual Meeting of Stockholders (the

Annual Meeting) to be held on June 13, 2013 at 9:00 a.m., local Colorado time, at the Marriott Denver West, 1717 Denver West Boulevard, Golden, Colorado 80401, and any postponements or adjournments thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. This proxy statement and the accompanying proxy card are first being mailed to our stockholders on or about May 10, 2013.

A proxy card is enclosed for your use. **The Board requests that you sign, date, and return it in the enclosed postage paid return envelope, which does not require postage if mailed in the United States.** Your execution of the enclosed proxy will not affect your right as a stockholder to attend the Annual Meeting and to vote in person.

**PURPOSE OF THE ANNUAL MEETING**

At the Annual Meeting, stockholders entitled to vote will be asked to consider and take action on the following matters:

- election of three Class III members to our Board to serve until the 2016 Annual Meeting of Stockholders and until their respective successors are elected and qualified or until their earlier death, resignation, or removal in accordance with our Certificate of Incorporation, Amended and Restated Bylaws, and Corporate Governance Guidelines;

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- an advisory vote to approve executive compensation;
- ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013; and
- action on such other matters as may properly come before the meeting or any adjournment thereof.

**Your vote is important. We are requesting that you complete, sign and date the enclosed proxy card and mail it promptly in the enclosed postage paid return envelope, which does not require postage if mailed in the United States. Shares cannot be voted at the meeting unless the owner is present to vote or is represented by proxy.**

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**Shares Outstanding and Voting Rights**

*Record Date; Quorum.* Our Board has fixed the close of business on April 26, 2013, as the record date for the purpose of determining stockholders of the Company entitled to notice of and to vote at the Annual Meeting. At the close of business on that date, we had 91,545,084 issued and outstanding shares of common stock. A majority of votes that could be cast by holders of all outstanding shares of stock entitled to vote will constitute a quorum for the transaction of business at the Annual Meeting. Proxies that are submitted and are voted for or against (whether by abstentions, broker non-votes, or otherwise) on at least one item will be treated as present for all matters considered at the meeting, and will be counted for determining whether we have a quorum, however, broker non-votes are not deemed eligible to vote on items as to which they have no authorization to vote.

*Solicitation of Proxies.* The accompanying proxy is solicited on behalf of our Board and the entire cost of solicitation will be borne by us. Following the original mailing of the proxies and soliciting materials, our directors, officers and employees may solicit proxies by mail, telephone, facsimile or other electronic means of communication, or personal interviews. We may utilize the services of a proxy solicitation firm. We will request brokers, custodians, nominees, and other record holders to forward copies of the proxies and soliciting materials to persons for whom they hold shares of the Company and to request authority for the exercise of proxies. In such cases, the Company will reimburse such holders for their reasonable expenses.

*Revocation of Proxy.* Any proxy delivered in the accompanying form may be revoked by the person executing the proxy by either (1) providing our Corporate Secretary a later-dated proxy prior to the Annual Meeting or presenting a later-dated proxy at the Annual Meeting, (2) providing our Corporate Secretary a written revocation prior to the Annual Meeting, or (3) attending the Annual Meeting and voting in person.

*How Proxies will be Voted.* Assuming a quorum is present, proxies received by our Board in the accompanying form will be voted at the Annual Meeting as specified by the person giving the proxy. All shares represented by a valid proxy will be voted at the discretion of the proxy holders on any other matters that may properly come before the meeting. The Board, however, does not know of any matters to be considered at the meeting other than those specified in the Notice of Annual Meeting.

*Required Votes.* With respect to the election of directors, the three candidates receiving the highest number of votes will be elected. Our stockholders may vote for or against each of the nominees, or may abstain. If the number of shares voted for a nominee does not exceed the number of shares voted against the nominee, under our Corporate Governance Guidelines adopted by the Board, he or she must submit his or her resignation from the Board. See Proposal 1 for further discussion of the majority voting provisions of the Corporate Governance Guidelines. The affirmative vote of the holders of a majority of the shares entitled to vote that are present in person or represented by proxy is required to approve, by non-binding vote, our executive compensation (Proposal 2) and to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2013 (Proposal 3).

*Effect of Abstentions and Broker Non-Votes.* Abstentions will have no effect on the election of directors. Abstentions may be specified and will be counted as present for the purposes of Proposals 2 and 3. For purposes of determining whether Proposals 2 and 3 have received the requisite vote, an abstention by a stockholder will have the same effect as a vote against the proposal.

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Brokers and other intermediaries, holding shares in street name for their customers, are generally required to vote the shares in the manner directed by their customers. If their customers do not give any direction, brokers may vote the shares if (1) the broker holds the shares in a fiduciary capacity, or (2) the broker is acting pursuant to the rules of any national securities exchange of which it is a member. On certain routine matters, brokers may, at their discretion, vote shares on behalf of their customers. The election of directors and the advisory vote to approve our executive compensation are considered non-routine matters for which brokers are not permitted to vote shares without customer direction. Therefore, brokers are not permitted to vote shares for Proposals 1 and 2 without customer direction. ***Therefore, we urge you to give voting instructions to your broker on all three proposals.*** Shares that are not voted by a broker given the absence of customer direction are called broker non-votes. Broker non-votes will have no direct effect on the outcome of a vote on any proposal.

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*Voting Power.* Holders of our common stock are entitled to one vote for each share held. There is no cumulative voting for directors.

**VOTING SECURITIES AND PRINCIPAL HOLDERS**

The following table sets forth information as of April 15, 2013, regarding the ownership of our common stock by:

- each person who is known by us to own more than 5% of our shares of common stock;
- each of our named executive officers and directors; and
- all of our current executive officers and directors as a group.

For the purposes of the information provided below, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the "SEC"), and for each person includes shares of our common stock that person has the right to acquire within 60 days following April 15, 2013, upon exercise of options, stock appreciation rights or warrants. Except as indicated in the footnotes to the tables below, and as affected by applicable community property laws, all persons listed have sole voting and investment power for all shares shown as beneficially owned by them.

We have no knowledge of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in our control. We are not, to the best of our knowledge, directly or indirectly owned or controlled by another corporation or foreign government.

**BENEFICIAL OWNERSHIP**

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class (2)
<b>Stockholders Holding 5% or More:</b>		
Hanlong (USA) Mining Investment, Inc.	21,843,341	23.9%
Hanlong Resources Ltd		
Sichuan Hanlong Group Co., Ltd		
Han Liu		

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Bo Yang

Guoqing Liu

Geng Liu

YiFan Liu

XiaoPing Liu

Xue Yang

Nelson F. Chen(3)

CCM Master Qualified Fund, Ltd.

CCM Special Holdings Fund, LP

Coghill Capital Management, LLC

Clint D. Coghill (4)

8,262,384

9.0%

APERAM

AMO Holding 7 S.A. (5)

8,256,699

9.0%

**Executive Officers:**

Bruce D. Hansen (6)

1,286,266

1.4%

David A. Chaput (7)

262,833

\*%

Robert I. Pennington (8)

569,333

\*%

R. Scott Roswell (9)

53,259

\*%

Lee M. Shumway (10)

208,835

\*%



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Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class (2)
<b>Directors (not including Chief Executive Officer):</b>		
Ricardo M. Campoy (11)	172,666	*%
Patrick M. James (12)	66,250	*%
Mark A. Lettes (13)	91,034	*%
Gary A. Loving	108,648	*%
Richard F. Nanna	418,003	*%
Gregory P. Raih (14)	105,000	*%
R. David Russell	1,300,002	1.4%
Andrew G. Sharkey, III (15)	93,562	*%
Nelson F. Chen (3)	21,893,341	23.9%
<b>Directors and executive officers as a group (14 persons) (16)</b>	<b>26,629,032</b>	<b>28.8%</b>

\* Less than 1%.

(1) The address for each of our directors and officers, other than Mr. Chen, is c/o General Moly, Inc., 1726 Cole Blvd., Suite 115, Lakewood, Colorado 80401. The address for Mr. Chen is Suite 6303-04, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

(2) Based on 91,545,084 shares of our common stock outstanding as of April 15, 2013. In accordance with SEC rules, percent of class as of April 15, 2013, is calculated for each person and group by dividing the number of shares beneficially owned by such person or group by the sum of the total number of our stock outstanding, plus the number of shares exercisable by that person or group within 60 days of April 15, 2013.

(3) Based on a Schedule 13D/A jointly filed with the SEC on March 6, 2013, by Hanlong (USA) Mining Investments, Inc. ( Hanlong USA ) and Nelson F. Chen. Hanlong USA and Mr. Chen share the power to vote, direct the vote, dispose and direct the disposition of all shares shown as beneficially owned by Hanlong USA. All of the voting and investment power with respect to shares held in the name of Hanlong USA have been delegated to Mr. Chen. The address for both Hanlong USA and Mr. Chen is Suite 6303-04, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. Includes 10,000,000 shares issuable upon the exercise of warrants which are exercisable within 60 days of April 15, 2013. Based on a Form 4/A jointly filed with the SEC on February 12, 2013, by Hanlong USA, Hanlong Resources Ltd ( Hanlong Resources ), Sichuan Hanlong Group Co., Ltd ( Sichuan Hanlong ), Han Liu, Bo Yang, Guoqing Liu, Geng Liu, YiFan Liu, XiaoPing Liu, and Xue Yang, the shares that are directly owned by Hanlong USA are also indirectly beneficially owned by each of Hanlong Resources, Sichuan Hanlong, Han Liu, Bo Yang, Guoqing Liu, Geng Liu, YiFan Liu, XiaoPing Liu, and Xue Yang. The Form 3/A does not indicate whether any of such persons exercises any power to vote, direct the vote, dispose or direct the disposition of the shares shown as indirectly beneficially owned by them. The addresses for each such person (other than Hanlong USA which is above) are: (a) in the case of Hanlong Resources, Nelson Chen, and Bo Yang, Suite 6303-04, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong; and (b) in the case of Sichuan Hanlong, Han Liu, Guoqing Liu, Geng Liu, YiFan Liu, XiaoPing Liu, and Xue Yang, 20F, Hongda Building, No. 2 East Jin Li Road, Chengdu, Sichuan 610041, China.

(4) Based on a Schedule 13G/A jointly filed with the SEC on February 14, 2013, by Coghill Capital Management, LLC ( Coghill Capital ), CCM Master Qualified Fund, Ltd. ( Coghill Master Qualified Fund ), CCM Special Holdings Fund, LP ( Coghill Special Holdings Fund ) and Clint D. Coghill and a Form 4 filed by Coghill Capital and Mr. Coghill on January 3, 2011: (a) Coghill Capital, the investment manager of Coghill Master Qualified Fund and Coghill Special Holdings Fund, may be deemed to beneficially own 8,262,384 of such shares and has shared

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voting and dispositive power for all such shares; (b) Coghill Master Qualified Fund beneficially owns 3,730,754 of such shares and has shared voting and dispositive power for all such shares; (c) Coghill Special Holdings Fund beneficially owns 4,531,630 of such shares and has shared voting and dispositive power for all such shares; (d) Mr. Coghill, the President and majority owner of Coghill Capital, may be deemed to beneficially own 8,262,384 of such shares and has shared voting and dispositive power for all such shares. Each of Coghill Capital and Mr. Coghill disclaim beneficial ownership of the securities except to the extent of their pecuniary interest therein. Beneficial ownership information excludes

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500,000 shares of common stock that each of Coghill Master Qualified Fund and Coghill Special Holdings Fund have the right to acquire upon the exercise of outstanding non-voting warrants which are not exercisable within 60 days of April 15, 2013. The address for each of Coghill Capital, Coghill Master Qualified Fund, Coghill Special Holdings Fund and Mr. Coghill is 1 N. Wacker Dr., Ste. 4350, Chicago, Illinois 60606.

(5) Based on a Schedule 13G filed with the SEC on January 28, 2011, by APERAM and AMO Holding 7 S.A. and a Form 3 filed with the SEC on January 28, 2011, by APERAM. According to such Form 3, on January 25, 2011, the Board of Directors of ArcelorMittal S.A. ( ArcelorMittal ) and APERAM each approved the transfer of the assets comprising ArcelorMittal's stainless and specialty steels business from its carbon steel and mining business to APERAM, a separate entity incorporated in the Grand Duchy of Luxembourg. Following such transfer, AMO Holding 7 S.A. became a wholly owned subsidiary of APERAM. APERAM and AMO Holding 7 S.A. share voting and disposition power for all shares shown as beneficially owned by them. The addresses for APERAM and AMO Holding 7 S.A., respectively, are 12C, rue Guillaume Kroll L-1882 Luxembourg, Grand Duchy of Luxembourg and 19, Avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg.

(6) Includes 200,000 stock appreciation rights that are vested, which are payable in shares of common stock. See the Outstanding Equity Awards at December 31, 2012 table for additional information.

(7) Includes 100,000 shares issuable upon the exercise of vested options and options exercisable within 60 days and 80,000 stock appreciation rights that are vested, which are payable in shares of common stock, and 55,500 shares held in Mr. Chaput's individual retirement account. See the Outstanding Equity Awards at December 31, 2012 table for additional information.

(8) Includes 100,000 shares issuable upon the exercise of vested options, 145,000 shares of restricted stock, 80,000 stock appreciation rights that are vested, which are payable in shares of common stock, and 158,000 shares held by Robert Pennington Dolores R. Pennington P/ADM Mineral Development LLC Dated 10/15/2007, of which Mr. Pennington is the sole member. See the Outstanding Equity Awards at December 31, 2012 table for additional information.

(9) Includes 5,960 shares held in Mr. Roswell's individual retirement account.

(10) Includes 100,000 shares issuable upon the exercise of vested options and 9,770 stock appreciation rights that are vested, which are payable in shares of common stock. See the Outstanding Equity Awards at December 31, 2012 table for additional information.

(11) Includes 33,334 shares issuable upon the exercise of vested options.

(12) All of such shares are held in the name of a trust for which Mr. James and his wife are trustees.

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- (13) Includes 33,334 shares issuable upon the exercise of vested options.
- (14) Includes 35,000 shares held in Mr. Raih s individual retirement account.
- (15) All of such shares are held in the name of a trust for which Mr. Sharkey is trustee.
- (16) Includes 400,001 shares issuable upon the exercise of vested options and 145,000 shares of restricted stock, and 369,770 stock appreciation rights that are vested, which are payable in shares of common stock.

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**PROPOSAL 1 - ELECTION OF DIRECTORS**

Our Board currently consists of 10 members. Pursuant to our bylaws, the members of our Board have been divided into three classes. The term of office for the Class III members of our Board, consisting of three members, expires at our 2013 Annual Meeting. The term of office for the Class I members of our Board, consisting of four members, expires at our 2014 Annual Meeting. The term of office for the Class II members of our Board, consisting of three members, expires at our 2015 Annual Meeting. At each of our Annual Meetings of Stockholders, the number of directors equal to the number of directors in the class whose term is scheduled to expire on the day of such meeting will be elected for a term of three years and will hold office until expiration of the terms for which they were elected and qualified. In each case, a director's term will continue until the director's successor is elected and has qualified. Any director may be removed from office as a director at any time by our stockholders, but only for cause, and only by the affirmative vote of a majority of the outstanding voting power entitled to elect such director.

At this Annual Meeting, three Class III directors are to be elected and will serve for a term of three years and until their successors are elected and qualified. The following nominees for election as Class III directors at this Annual Meeting are recommended by our Board:

Nelson F. Chen

Bruce D. Hansen

Mark A. Lettes

If any of the nominees for director should become unable or decline to serve if elected, it is intended that shares represented by proxies that are executed and returned will be voted for any substitute nominee(s) as may be recommended by our existing Board. The three nominees receiving the highest number of votes cast at the Annual Meeting will be elected as Class III directors for a term of three years and until their successors are elected and qualified.

Pursuant to our Corporate Governance Guidelines adopted by our Board, if a director nominee does not receive a majority of the votes cast, the director is required to promptly tender his or her resignation to the Board. For purposes of the policy, a majority of votes cast means that the number of shares voted for a director's election exceeds the number of votes cast against that director's election. The Governance and Nominating Committee will consider the resignation and make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the tendered resignation, taking into account the recommendation of the Governance and Nominating Committee, within 90 days from the date of the certification of the election results, and publicly disclose its decision promptly thereafter. The Governance and Nominating Committee, in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant. A director who tenders his or her resignation will not participate in the recommendation of the Governance and Nominating Committee or the decision of the Board with respect to his or her resignation. If no director receives a majority of shares cast in an uncontested election, then the incumbent directors will nominate a new slate of directors and hold a special meeting of stockholders for the purpose of electing those nominees within 180 days after certification of the stockholder vote.

**Information About The Nominees**

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We have provided information below about our director nominees, all of whom are incumbent directors, including their names, years of service as directors, business experience and service on other boards of directors, including any other directorships held during the past five years. In addition, we have included information about each nominee's specific experience, qualifications, attributes or skills that led the Board to conclude that the nominee should serve as a director of the Company at the time we are filing this proxy statement, in light of our business and corporate structure.

**Nelson F. Chen** has been a member of our board of directors since September 2011. Mr. Chen is Managing Director of Hanlong Resources Ltd (HK) and has served as a director of various Hanlong Group's entities since June 2010. He has served on the board of Moly Mines Limited as an alternate director to the principal of Hanlong Group since April 2010. Mr. Chen was appointed to be a non-executive director of Marenica Energy Limited on 4 October

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2011. He also represents Hanlong on the Eureka Moly Management Committee of the Company. Prior to joining Hanlong, Mr. Chen was an Associate Director at the Sydney, Australia office of PricewaterhouseCoopers ( PwC ). Mr. Chen is bilingual and is a licensed Chinese-English translator in Australia.

Mr. Chen has 11 years of audit and M&A transaction advisory experience with PwC. He was involved in a large number of financial due diligence and acquisition advisory transactions with a focus on leading engagements servicing Chinese clients. He has extensive experience in many industries including mining, manufacturing, consumer products, financial services and real estate.

**Bruce D. Hansen** has been our Chief Executive Officer and a member of our Board since January 2007. Mr. Hansen served as our interim Chair of the Board from October 2007 through December 2010 when Patrick James was appointed as independent Chairman. From September 2005 through November 2006, Mr. Hansen served as Senior Vice President, Operations Services and Development at Newmont Mining Corporation. From July 1999 to September 2005, Mr. Hansen served as Senior Vice President and Chief Financial Officer at Newmont Mining Corporation. Mr. Hansen also served as the Vice President of Project Development for Newmont and previously was the Senior Vice President of Corporate Development for Santa Fe Pacific Gold Corporation. Mr. Hansen is a director and chairman of the audit committee of Energy Fuels, Inc.

As our Chief Executive Officer, Mr. Hansen has detailed knowledge of the Company's development, strategy and projects. Mr. Hansen also has extensive mining industry background, having worked in the mining industry for more than 30 years in a variety of financial, technical and leadership roles. Mr. Hansen has demonstrated success in these various industry roles over the years. Mr. Hansen's knowledge of the Company's development efforts as well as his industry experience at both large and small mining companies and his demonstrated past successes give him the necessary background, experience and leadership to be an effective director.

**Mark A. Lettes** has been a member of our Board since April 2007. Mr. Lettes also joined the Board of Directors for Selwyn Resources in September 2012. He served as Chief Financial Officer of Apex Silver Mines from June 1998 to June 2006, and was responsible for the financing of Apex Silver Mines' large-scale San Cristobal silver and zinc mine in Bolivia. Prior to joining Apex Silver Mines, Mr. Lettes held senior financial positions with Cyprus Amax, Amax, Inc., and Amax Gold. Mr. Lettes served as a director of Yukon Zinc Corporation from October 2006 to June 2008 and Century Mining Corporation from March 2008 to October 2008. Mr. Lettes also currently serves as a director of Selwyn Resource and is a member of their audit, governance, and health and safety committees and chair of their compensation committee.

Mr. Lettes has extensive mining and financial experience gained in his eight years as a chief financial officer at a mining company where he was also responsible for a major financing. In this role, Mr. Lettes was involved in all aspects of financial reporting and compliance. In addition, Mr. Lettes served on the audit, governance and compensation committees of Yukon Zinc Corporation and on the audit, governance and compensation committees of Century Mining Corporation. Mr. Lettes' experiences in these roles are directly relevant and important to Mr. Lettes' current roles as our Audit Committee Chair and our audit committee financial expert. Mr. Lettes' mining and financial experience, as well as his significant past board experience, enhances the knowledge of the Board as the Company works toward completing financing of the Mt. Hope Project and commencing operations.

**DIRECTORS AND OFFICERS**

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The following table provides the names, positions, ages and principal occupations of our current directors, including those who are nominated for election as a director at the Annual Meeting, our executive officers, and our Secretary:

<b>Name and Position with the Company</b>	<b>Age</b>	<b>Director/Officer Since</b>	<b>Principal Occupation</b>
Ricardo M. Campoy (2)(4)(5)(6) Director	62	Director since August 2006	International natural resources banker



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<b>Name and Position with the Company</b>	<b>Age</b>	<b>Director/Officer Since</b>	<b>Principal Occupation</b>
Nelson F. Chen (1) Director	44	Director since September 2011	Chief Operating Officer at Hanlong (Australia) Resources Pty. Ltd.
Bruce D. Hansen (1) Chief Executive Officer and Director	55	Executive Officer and Director since January 2007	Chief Executive Officer of the Company
Patrick M. James (3)(5)(6) Chairman	68	Director since December 2010	Retired as President and Chief Executive Officer from Rio Algom Limited
Mark A. Lettes (1)(4)(5)(6) Director	64	Director since April 2007	Retired from Apex Silver Mines Limited
Gary A. Loving (3)(5)(6) Director	64	Director since February 2008	Retired as President, Chief Executive Officer, and Director of Frontera Copper Corporation
Richard F. Nanna (3)(5)(6) Director	64	Director since November 2003	Retired as Senior Vice President Exploration and Development for Apollo Gold Corporation
Gregory P. Raih (3)(4)(5) Director	65	Director since September 2010	Former Partner with KPMG LLP
R. David Russell (2) Director	56	Director since November 2002	Chairman and Chief Executive Officer of Calais Resources, Inc.
Andrew G. Sharkey, III (2)(5)(6) Director	66	Director since February 2009	Retired as President and Chief Executive Officer of American Iron and Steel Institute
David A. Chaput Chief Financial Officer	54	Executive Officer since April 2007	Chief Financial Officer of the Company
Robert I. Pennington Chief Operating Officer	58	Executive Officer since October 2007	Chief Operating Officer of the Company
R. Scott Roswell Vice President of Human Resources, Corporate Counsel	50	Executive Officer since September 2010	Vice President of Human Resources and Corporate Counsel of the Company
Lee M. Shumway	51	Executive Officer since June 2009	Controller and Treasurer of the Company

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### Controller and Treasurer

Michael K. Branstetter	59	Officer since November 1992	Attorney with the firm of Hull & Branstetter Chartered
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### Secretary and General Counsel

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- (1) Term of office as Director expires at the 2013 Annual Meeting of Stockholders.
  - (2) Term of office as Director expires at the 2015 Annual Meeting of Stockholders.
  - (3) Term of office as Director expires at the 2014 Annual Meeting of Stockholders.
  - (4) Member of Audit Committee. Mr. Lettes is chair of this committee.
  - (5) Member of Governance and Nominating Committee. Mr. James is chair of this committee.

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(6) Member of Compensation Committee. Mr. Campoy is chair of this committee.

We have provided information below about each of the individuals who, in addition to the nominees set forth above, currently serve on our Board, including their names, years of service as directors, business experience and service on other boards of directors, including any other directorships held during the past five years. In addition, we have included information about each director's specific experience, qualifications, attributes or skills that led the Board to conclude that the director should serve as a director of the Company at the time we are filing this proxy statement, in light of our business and corporate structure.

Also set forth below is information about each of our executive officers and our Secretary. Officers are appointed annually by the Board and serve at the pleasure of the Board.

**Ricardo M. Campoy** has been a member of our Board of Directors since August 2006. Mr. Campoy is currently Managing Director of the minerals capital and advisory practice of Headwaters Merchant Bank. Mr. Campoy also serves on the Board of Directors of Endeavour Silver and Forsys Metals Corp., both listed on the TSX Exchange. Mr. Campoy has worked as an international natural resources banker for 32 years, having served in executive finance positions at various firms, including as Head of Mining & Metals of WestLB AG and as Member/Senior Advisor of McFarland Dewey & Co., LLC. Prior to Mr. Campoy's work in finance, he was employed as a mining engineer at Inspiration Copper, Dravo Corporation, and AMAX Inc.

Mr. Campoy has extensive mining and international business experience, as well as engineering experience. He brings an international perspective to the Board, which is relevant to our business given the global market for molybdenum. Mr. Campoy also has 32 years of experience in the banking industry, where he focused on financings of natural resource projects, as well as significant leadership experience in a variety of roles at different companies, all of which makes Mr. Campoy well-suited to serve as an effective Chair of our Compensation Committee.

**Patrick M. James** has been a member of our Board of Directors since December 2010. Mr. James has over 45 years of experience in the mining industry including a variety of operating and executive positions. Mr. James retired as President, Chairman, Director and CEO of the Santa Fe Pacific Gold Corporation when it was acquired by Newmont Mining in 1997 and served as a Director of Newmont for one year thereafter. After leaving Santa Fe Pacific Gold, Mr. James served as Director, President and Chief Executive Officer of Rio Algom Limited from 1997 to 2001. Since then, Mr. James has served as a director of four other publicly listed mining companies including Dynatec, Inc., Constellation Copper Corp., Stillwater Mining Company, and Centerra Gold Inc. He currently serves on the Stillwater Mining Company Board as Lead Independent Director. Mr. James also serves on the Colorado School of Mines Foundation Board of Governors, where he is Treasurer.

Mr. James has significant experience in the mining industry, starting as an underground miner, through various roles in operations and development of a broad range of mineral commodities; and serving in executive roles of operating and developing companies. Mr. James has been a director of eight publicly listed companies, serving as chairman of the board of four of those, and lead director of another. Mr. James has an Engineer of Mines degree from Colorado School of Mines, a Master of Management from the University of New Mexico, Anderson School of Business, and is a Registered Professional Engineer in Colorado.

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**Gary A. Loving** has been a member of our Board since February 2008. He also is a member of the Board of Directors and currently serves as Chairman of Twin Metals Minnesota, LLC, which is a joint venture between Duluth Metals of Canada and Antofagasta plc for the proposed development of the Twin Metals Project in northeastern Minnesota. Previously, Mr. Loving served as President, CEO and Director of Frontera Copper Corporation and Senior Vice President South American Operations for Phelps Dodge Mining Company.

Mr. Loving has significant mining operations and project development experience in several world class mining projects including the Candelaria project in Chile, the Sossego Project in Brazil and the Piedras Verdes Project in Mexico. Mr. Loving's technical and operational expertise gives him the background to contribute to our Board as an effective Chair of our Technical Committee and to assist the Company in developing its mining properties.

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**Richard F. Nanna** has been a member of our Board since 2003. Mr. Nanna was the Senior Vice President, Exploration and Development for Apollo Gold Corporation from 2002 until its merger with Linear Gold to form Brigus Gold in 2010. Mr. Nanna was also Vice President of Exploration for Getchell Gold Corporation. Mr. Nanna is a Certified Professional Geologist in the State of Washington and has over 35 years of experience in mineral and metals exploration and exploration management.

Mr. Nanna has significant mining experience, which is relevant to his service on our Board. Mr. Nanna has served on our Board for approximately ten years and has knowledge of the past development efforts of the Company. Mr. Nanna served on the board of Azteca Gold Corp. until February 2012 and is currently on the board of CAMAR PLC. Mr. Nanna's professional experience as a geologist also provides a unique skill to the Board.

**Gregory P. Raih** has been a member of our Board since September 2010. Mr. Raih has an extensive accounting background and served as a Partner at KPMG LLP from 2002 to 2008 and previous to that held a variety of positions at Arthur Andersen LLP, including Partner from 1981 to 2002. While at Arthur Andersen, Mr. Raih served as the global director of the firm's mining industry practice and has significant experience with mining accounting and reporting issues. He served as engagement partner on a number of mining clients, including Newmont Mining Corporation and BHP Billiton Base Metals. Mr. Raih is also a member of the American Institute of Certified Public Accountants and the Colorado Society of Certified Public Accountants. He currently serves as a director of Bonanza Creek Energy, Inc.

Mr. Raih has extensive accounting experience as a certified public accountant, including providing service to a number of public mining companies. His qualifications as an audit committee financial expert provide an essential skill set relevant to his service on our Board and as a member of the Audit Committee.

**R. David Russell** has been a member of our Board since 2002. Mr. Russell is the Chairman and Chief Executive Officer of Central Asia Minerals and Resources since June 2012. Mr. Russell also serves as a Director of Central Asian Minerals and Resources PLC, a London gold company listed on the ISDX market (UK) since June 2012. Between February 2011 and February 2012, Mr. Russell served as the Chairman and CEO of Calais Resources, Inc. Between 2002 and June 2010, Mr. Russell was President and Chief Executive Officer and a director of Apollo Gold Corporation, a Canadian gold company listed on the TSX and NYSE MKT. Mr. Russell founded Nevoro Gold Corporation, which was subsequently merged with Apollo Gold Corporation, which further merged with Linear Gold and is now known as Brigus Gold, BRD, listed on the TSX. Mr. Russell serves as Chairman and a Director (and is a member of audit, compensation, nominating and technical committees) of Pure Nickel Inc., a Canadian nickel company listed on the TSX. Mr. Russell also served as Vice President and Chief Operating Officer for Getchell Gold Corporation, a Nevada gold producer and as General Manager, U.S. Operations, for LAC Minerals Ltd. and Barrick Gold Corporation. Mr. Russell's experience spans more than 33 years in the mining industry.

Mr. Russell has significant mining and finance experience, including leading a major bank project financing during the time he served as President, Chief Executive Officer and Director of Apollo Gold Corporation. Mr. Russell also has had significant leadership experience in a variety of roles at several different companies. His mining, finance and leadership experience is directly relevant to our future financing and operations.

**Andrew G. Sharkey, III** became a member of our Board in February 2009. Mr. Sharkey currently serves as a Director and Chairman of the Nominating and Governance committee, and as a member of the Compensation committee and Audit committee for Reliance Steel & Aluminum Company and served as President and Chief Executive Officer of the American Iron and Steel Institute from 1993 to 2008. Mr. Sharkey also served in various roles for the Steel Service Center Institute (currently the Metals Service Center Institute), including president, executive vice president and director of education.

Mr. Sharkey has significant experience in the steel industry, which is directly relevant to the Company's business as steel represents the largest single market for molybdenum, and Mr. Sharkey is able to provide the Board with important insights as to the Company's potential customers. Mr. Sharkey has 30 years of experience leading two different steel trade associations, strong knowledge of the U.S. and global steel industry and steel products, and strong relationships with steel company executives. Mr. Sharkey also has extensive experience working with Congress, the Executive Branch and various administrative agencies from his time serving as Chief Executive Officer of the American Iron & Steel Institute based in Washington, D.C.

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**David A. Chaput** has been our Chief Financial Officer since April 2007. Mr. Chaput has more than 31 years of financial and operational experience in the metals and mining industries. Mr. Chaput was with The Doe Run Resources Corporation until September 2006, where he served as Chief Financial Officer from May 2004 to September 2006, as Vice President, Finance from September 2001 to September 2006, and as Treasurer from February 1993 to September 2001.

**Robert I. Pennington** was named our Chief Operating Officer in January 2012, and was previously our Vice President of Engineering and Construction since October 2007. From May 2006 to October 2007, Mr. Pennington owned his own consulting firm. From April 2002 to May 2006, Mr. Pennington served as Chief Operating Officer of M3 Engineering & Technology. Mr. Pennington has 32 years of metal mine operations and project management experience, including 23 years in management of mine and plant operations. He previously served as President at the Phelps Dodge Tyrone operations and General Manager, at Phelps Dodge Morenci. Mr. Pennington has extensive experience in concentrator design with an education in environmental engineering and metallurgy.

**R. Scott Roswell** has been our Vice President of Human Resources and Corporate Counsel since September 2010. From June 2004 to December 2009, Mr. Roswell served as Counsel and Executive Vice President of Law and Human Resources and as a consultant to, Flatiron Financial Services Inc./Centrix Financial, LLC, Denver-based loan servicing firms. From December 1994 to June 2004, Mr. Roswell served as Senior Attorney/Senior Director to Qwest/US West, in the Risk Management group. Prior to that, from August 1991 to December 1994, Mr. Roswell was an associate for the Denver, Colorado law firm of Hall & Evans, LLC.

**Lee M. Shumway** became our Controller in May 2009 and was appointed as our Controller and Treasurer in June 2009. Prior to serving as Controller and Treasurer, Mr. Shumway served as our Director of Business Process/Information Technology starting in November 2007. From 2002 to November 2007, Mr. Shumway served as Director of Supply Chain Nevada Operations for Newmont Mining Corporation following assignments as Controller Nevada Operations and Business Process Manager from 1997 to 2002. Prior to joining Newmont in 1997, Mr. Shumway had 10 years of experience with Santa Fe Pacific Gold and Price Waterhouse.

**Michael K. Branstetter** has been our Secretary and General Counsel since November 1992. Mr. Branstetter is the principal of Hull & Branstetter Chartered, a law firm in Idaho and has more than thirty years of experience providing legal representation to the mining industry. Mr. Branstetter's practice focuses on mining, environmental, natural resources and related business transactions.

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**THE BOARD, BOARD COMMITTEES AND DIRECTOR INDEPENDENCE**

During the year ended December 31, 2012, our Board held 7 meetings. Each of the incumbent directors who were on our Board during 2012 attended at least 75% of the total number of meetings of the Board and the committees of the Board on which such director served for the full year. In 2008, we adopted a policy requiring members of our Board to attend each annual meeting of stockholders. All of our directors attended our Annual Meeting held on June 14, 2012.

Mr. James currently serves as the independent non-executive Chair of the Board and we anticipate that the Chair of the Board will continue to be an independent director. As an independent non-executive Chair of the Board, Mr. James is responsible for coordinating the activities of the other independent directors, presiding over all meetings of the Board, including executive sessions; approving information sent to the Board; approving meeting agendas for the Board; and approving meeting schedules to assure that there is sufficient time for discussion of all agenda items. Mr. James has the authority to call meetings of the independent directors; and, if requested by major stockholders, ensures that he is available for consultation and direct communication.

Our Board has a standing Audit Committee, Compensation Committee, Governance and Nominating Committee, and Technical Committee. The Technical Committee provides assistance to the Board with respect to technical studies and evaluations of the Company's projects, environmental and permitting compliance programs, and safety, health and environmental programs. Our Technical Committee members are: Gary A. Loving (Chair), Bruce D. Hansen, Patrick M. James, Richard F. Nanna, R. David Russell and Nelson F. Chen.

Our Board has approved written charters that govern each of our Audit Committee, Compensation Committee, Governance and Nominating Committee, and Technical Committee, which are described in more detail below. Copies of the charters of these four committees are available on our corporate website at [www.generalmoly.com](http://www.generalmoly.com) under the Governance Board of Directors tab under the Investors tab. Our Board has determined that Ricardo M. Campoy, Patrick M. James, Mark A. Lettes, Gary A. Loving, Richard F. Nanna, Gregory P. Raih and Andrew G. Sharkey, III, are independent directors in accordance with the listing standards of the NYSE MKT. There are no family relationships among any of our current directors and officers.

Stockholders may communicate with our Board or our non-management directors by sending written correspondence to General Moly, Inc. Board, c/o Corporate Secretary, 1726 Cole Blvd., Suite 115 Lakewood, Colorado 80401, or by sending an email to [info@generalmoly.com](mailto:info@generalmoly.com). Our Corporate Secretary will receive the correspondence and forward it to the Chair of the applicable Board committee or to any individual director or directors to whom the communication is directed.

**Audit Committee**

Our Audit Committee members are: Mark A. Lettes (Chair), Ricardo M. Campoy, and Gregory P. Raih, all being independent directors in accordance with the listing standards of the NYSE MKT and the additional criteria for independence of audit committee members set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act). In addition, our Board has determined that each of Mark A. Lettes and Gregory P. Raih is an audit committee financial expert as defined by SEC rules. The Audit Committee held six meetings in 2012. The primary purposes of the Audit Committee, as set forth in its charter, are to: (1) provide independent review and oversight of the Company's accounting and financial reporting process, the system of internal control and management of financial risks; (2) manage the audit



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process, including the selection, oversight and compensation of the Company's independent auditors; (3) assist the Board in monitoring compliance with laws and regulations and its code of business conduct; and (4) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding its accounting, internal controls or auditing matters.

### **Compensation Committee**

Our Compensation Committee members are: Ricardo M. Campoy (Chair), Patrick M. James, Mark A. Lettes, Gary A. Loving, Richard F. Nanna and Andrew G. Sharkey, III, all being independent directors in accordance with the listing standards of the NYSE MKT. The Compensation Committee held five meetings in 2012. The primary purposes of the Compensation Committee, as set forth in its charter, are to: (1) establish, administer and evaluate the compensation philosophy, policies and plans for non-employee directors and executive

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officers; (2) make recommendations to the Board regarding director and executive officer compensation; (3) review the performance and determine the compensation of the Chief Executive Officer, based on criteria including the Company's performance and accomplishment of long-term strategic objectives; (4) prepare an annual report on executive compensation for inclusion in the Company's proxy statement; and (5) assist management and the Board with respect to the analysis as to whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee also reviews and, if appropriate, either as a committee or together with other independent directors of the Board (as directed by the Board), approves any employment agreements, severance arrangements, retirement arrangements, change in control agreements and provisions, and any special or supplemental benefits for each executive officer of the Company. The committee also oversees the administration of the Company's Equity Incentive Plan.

In fulfilling its responsibilities, the Compensation Committee may form and delegate any or all of its responsibilities to subcommittees, when appropriate, provided, however, that any such subcommittees shall meet all applicable independence requirements and that the Compensation Committee shall not delegate to persons other than independent directors any functions that are required under applicable NYSE MKT rules and federal securities laws, to be performed by independent directors. The Compensation Committee's evaluation is based on criteria designed to help ensure that our Chief Executive Officer's interests are aligned with the long-term interests of our stockholders, including the performance of our business, accomplishment of long-term strategic objectives, the handling of extraordinary events, and the development of management.

The Compensation Committee has engaged Towers Watson as its compensation consultant since 2008 (excluding 2009) and directed it to help develop and implement a sound executive compensation framework that will enable growth, reinforce consistency and support transparency. Towers Watson was not engaged in 2009 due to the status of developments of the Mt. Hope Project and our cash conservation measures. Towers Watson has assisted the Compensation Committee in updating our peer group and benchmark information and providing information and recommendations to the committee regarding various compensation matters. Further, Towers Watson advises the committee on legislative and risk updates, including in 2012 a review of (1) incentive/business risk; (2) executive turnover risk; and (3) other risk factors, including use of key performance indicators.

Our CFO and human resources department, including our Vice President of Human Resources and Corporate Counsel and our Senior Paralegal assist the Compensation Committee in its work.

**Governance and Nominating Committee**

Our Governance and Nominating Committee members are: Patrick M. James (Chair), Ricardo M. Campoy, Mark A. Lettes, Gary A. Loving, Richard F. Nanna, Gregory P. Raih and Andrew G. Sharkey, III all being independent directors in accordance with the listing standards of the NYSE MKT. The Governance and Nominating Committee held three meetings in 2012. The primary purposes of the Governance and Nominating Committee, as set forth in its charter, are to: (1) establish criteria for selection of directors to serve on the Board; (2) identify individuals qualified to become directors and recommend candidates for membership on the Board; (3) ensure that the Board, as a whole, is appropriately diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial experience and community ties; (4) consider independence and any possible conflicts of interest for Board members and executive officers; (5) review and make recommendations regarding the composition, size and tenure policies of the Board; (6) conduct an annual (or more frequently as circumstances may dictate) evaluation of the performance and effectiveness of the Board; (7) recommend members of the Board to serve on Board committees and as committee chairs; (8) review, evaluate and recommend changes to the Company's Corporate Governance Guidelines; (9) annually review and evaluate CEO performance; and (10) develop appropriate policies and principles for CEO succession planning.

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While the selection of qualified directors is a complex, subjective process that requires consideration of many intangible factors, the Governance and Nominating Committee and our Board take into account the following criteria, among others, in considering directors and candidates for the Board:

- judgment, experience, skills and personal character of the candidate;
- diversity of the Board in its broadest sense; and
- the needs of the Board.

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The Governance and Nominating Committee conducts a preliminary assessment of each proposed nominee based upon the proposed nominee's resume and biographical information, the individual's willingness to serve as a director of the Company, and other background information. This information is evaluated against the criteria set forth above and our specific needs at that time. Based upon a preliminary assessment of the candidate(s), those who appear best suited to meet our needs may be invited to participate in a series of interviews, which are used as a further means of evaluating potential candidates. On the basis of information learned during this process, the Governance and Nominating Committee determines which nominee(s) to recommend to the Board to submit for election at the next annual meeting. The Governance and Nominating Committee uses the same process for evaluating all nominees, regardless of the original source of the nomination. The Governance and Nominating Committee has approved the nominees included on our proxy card.

The Governance and Nominating Committee will consider nominees recommended by stockholders. To date, we have not received any recommendations from our stockholders requesting that the Board, or any of its committees, consider a nominee for inclusion among the Board's slate of nominees in this proxy statement. A stockholder wishing to submit a director nominee recommendation should comply with the provisions of our bylaws and the provisions set forth in this proxy statement under the heading "Stockholder Proposals and Recommendations for Director Nominees for the 2014 Annual Meeting." Under the terms of our Governance and Nominating Committee Charter, we evaluate all nominees, including those recommended by stockholders, by conducting appropriate inquiries into their backgrounds and qualifications; however, the Governance and Nominating Committee may prefer nominees who are personally known to the existing directors and whose reputations are highly regarded. The Governance and Nominating Committee will consider all relevant qualifications as well as the needs of the Company in terms of compliance with applicable SEC and stock exchange rules.

Diversity is considered in the nominating process as described above and in our Governance and Nominating Committee Charter, which provides that with regard to diversity, the committee will consider candidates for the Board regardless of gender, ethnicity or national origin and that any search firm retained to assist the committee should be instructed to seek to include diverse candidates from traditional and nontraditional candidate groups. Although we do not have a separate Board diversity policy, the Governance and Nominating Committee Charter provides that the committee is responsible for reviewing and making recommendations to the Board, as it may deem appropriate, in order to ensure that the Board consists of persons with sufficiently diverse and independent background.

## **Risk Oversight**

Our senior management is responsible for managing the risks facing the Company under the oversight and supervision of the Board. Senior management consults with the three Board committees with risk assessment responsibilities, and the Board to suggest risk management topics to be presented to the Board, and a different risk management topic is addressed at each of its meetings. While the full Board is ultimately responsible for risk oversight at our Company, three of our Board committees assist the Board in fulfilling its oversight function in certain areas of risk. The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk in the areas of financial reporting and internal controls. The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to risk in the area of compensation policies and practices. The Technical Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks related to operations and safety. Other general business risks such as economic, regulatory and permitting are monitored by the full Board. Risk management and assessment reports are regularly provided by management to these committees and the full Board.

## **Compensation Risk Assessment**

Our Compensation Committee considered whether our compensation program encouraged excessive risk taking by employees. Based upon its assessment, the committee does not believe that our compensation program encourages excessive or inappropriate risk-taking. The committee

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believes that the design of our compensation program, which includes a mix of annual and long-term incentives, cash and equity awards and retention incentives, is balanced and does not motivate imprudent risk-taking.

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**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our officers, directors, and any person who beneficially owns more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC. Executive officers, directors, and more than 10% stockholders are required by regulation to furnish us with copies of all Section 16(a) forms which they file. During 2012, certain of our directors and executive officers who own our stock filed Forms 3 or Forms 4 with the SEC. The information on these filings reflects the current ownership position of all such individuals. To the best of our knowledge and based solely on a review of the forms submitted to the Company, during 2012, all such filings by our executive officers, directors and beneficial owners of more than ten percent of our common stock were timely made.

**Code of Business Conduct and Ethics**

A copy of our Code of Conduct and Ethics is available on our website at [www.generalmoly.com](http://www.generalmoly.com) under the Governance tab under the Investors tab, and can also be obtained at no cost, by telephone at (303) 928-8599 or by mail at: General Moly, Inc., 1726 Cole Blvd., Suite 115 Lakewood, Colorado 80401, attention: Investor Relations. We believe our Code of Conduct and Ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

**Vote Required**

The three candidates receiving the highest number of votes will be elected. If any candidate does not receive at least a majority of the votes cast in the election, he must submit his resignation from the Board as described above.

**Recommendation**

The Board recommends that stockholders vote **FOR** each of the nominees for director. If not otherwise specified, proxies will be voted **FOR** each of the nominees for director.

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**PROPOSAL 2 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

As required under Section 14A of the Securities Exchange Act, we are asking stockholders to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with SEC rules.

As described in this proxy statement under the heading Compensation Discussion and Analysis, our executive compensation program is designed to enable us to obtain and retain the services of experienced executives. The compensation packages for our executive officers are designed to promote teamwork as well as individual initiative and achievement. Our executive compensation program is designed to enhance stockholder value by aligning the financial interests of our executive officers with those of our stockholders. We have also designed our compensation program to motivate and reward executives whose knowledge, skills and performance are critical to our success. Compensation depends to a significant extent on the achievement of annual and long-term performance goals. Essential to our compensation philosophy is the omission of egregious or overly generous compensation, excessive perquisites or tax gross ups on perquisites, repricing or replacement of stock awards, and hedging of Company stock. For additional information about our executive compensation program, please read the Compensation Discussion and Analysis beginning on page 21.

At our 2011 Annual Meeting, our stockholders voted in favor of holding an advisory vote to approve named executive officer compensation each year. In light of this result, the Board has determined to hold an annual advisory vote to approve our named executive officer compensation, until such time as the next required advisory vote on the frequency of future votes to approve our named executive officer compensation. At our 2013 Annual Meeting, we are again asking our stockholders to vote for approval, on an advisory basis, the compensation of our named executive officers, as described in this proxy statement. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we are asking our stockholders to vote FOR the following resolution at our Annual Meeting:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

**Vote Required**

The affirmative vote of holders of a majority of the shares of common stock entitled to vote that are present in person or by proxy at the Annual Meeting is required to approve this proposal. However, the say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board. Our Board and our Compensation Committee value the opinions of our stockholders and will consider the outcome of the vote when considering future decisions on the compensation of our named executive officers.

**Recommendation**

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The Board recommends that stockholders vote to approve the compensation of our named executive officers by voting **FOR** Proposal 2. If not otherwise specified, proxies will be voted **FOR** approval of our executive compensation.



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**PROPOSAL 3 - RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of our Board selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013. Our Board is asking stockholders to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2013. Although current law, rules, and regulations, as well as the charter of the Audit Committee, require the Audit Committee to appoint, retain, and supervise our independent accountants, our Board considers the selection of our independent registered public accounting firm to be an important matter of stockholder concern and is submitting the selection of PricewaterhouseCoopers LLP for ratification by stockholders as a matter of good corporate practice. If the stockholders do not ratify the selection of PricewaterhouseCoopers LLP as our independent accountants, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP. Even if the selection of PricewaterhouseCoopers LLP is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions.

**Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Audit Fees**

The aggregate fees billed for professional services rendered by our principal accountants for the audit of our annual consolidated financial statements and the internal control over financial reporting for the fiscal year ended December 31, 2012 was \$410,000. The aggregate fees billed for the audit of our annual consolidated financial statements and the internal control over financial reporting for the fiscal year ended December 31, 2011 was \$353,800.

**Audit-Related Fees**

There were no fees billed in the last two fiscal years for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of our financial statements except as set forth in the preceding paragraph.

**Tax Fees**

The aggregate fees billed by our principal accountants for preparation of tax returns and tax consultations for the fiscal year ended December 31, 2012, is expected to be \$136,603. The aggregate fees billed by our principal accountants for preparation of tax returns for the fiscal year ended December 31, 2011, was \$83,186.

**All Other Fees**

There were no fees billed in the last two fiscal years for products and services other than as set forth above.

**Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditors**

Our Audit Committee is responsible for appointing, setting compensation for and overseeing the work of our independent auditors. The Audit Committee has established a policy regarding pre-approval of all audit and non-audit services provided by the independent auditors. All services and fees paid to PricewaterhouseCoopers LLP, including tax fees, for the fiscal year ended December 31, 2012 were pre-approved by the Audit Committee. On an ongoing basis, management communicates specific projects and categories of services for which advance approval of the Audit Committee is requested. The Audit Committee reviews these requests and advises management if the Audit Committee approves the engagement of the independent auditors for specific projects. On

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a periodic basis, management reports to the Audit Committee regarding the actual spending for such projects and services compared to the approved amounts. The Audit Committee may also delegate the ability to pre-approve audit and permitted non-audit services to a subcommittee consisting of one or more Audit Committee members, provided that any such pre-approvals are reported on at a subsequent Audit Committee meeting.

**Vote Required**

The affirmative vote of holders of a majority of the shares of common stock entitled to vote that are present in person or by proxy at the Annual Meeting is required to approve the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered accounting firm for the current fiscal year.

**Recommendation**

The Board recommends that stockholders vote **FOR** Proposal 3. If not otherwise specified, proxies will be voted **FOR** Proposal 3.

*Notwithstanding anything to the contrary set forth in any of our filings under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, that might incorporate future filings, including this proxy statement, in whole or in part, the following Audit Committee Report and Compensation Committee Report shall not be deemed to be Soliciting Material, and are not deemed filed with the SEC and shall not be incorporated by reference into any filings under the Securities Act or Exchange Act whether made before or after the date of this proxy statement and irrespective of any general incorporation language in such filings.*

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**AUDIT COMMITTEE REPORT**

The Board has appointed the members of the Audit Committee. The Audit Committee is governed by a charter that the Board approved and adopted and which is reviewed and reassessed annually by the Audit Committee. The Audit Committee is comprised of three independent directors.

The Board has charged the Audit Committee with a number of responsibilities, including review of the adequacy of the Company's financial reporting, accounting systems and processes, and internal controls.

Management is responsible for the preparation and integrity of the Company's financial statements and for the design and maintenance of an effective internal control environment over financial reporting. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements and internal control over financial reporting in accordance with generally accepted auditing standards and for issuing a report thereon. The Audit Committee has independently met and held discussions with management and the Company's independent registered public accounting firm.

In the discharge of its responsibilities, the Audit Committee has:

- (1) Reviewed and discussed the Company's audited consolidated financial statements with management and the independent registered public accounting firm;
- (2) Discussed with the Company's independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality (in addition to acceptability), clarity, consistency, and completeness of the Company's financial reporting;
- (3) Received the written disclosures and the letter from the Company's independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee; and
- (4) Discussed with the Company's independent registered public accounting firm the independent accounting firm's independence.

Based on its reviews and discussions, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements and report on internal controls over financial reporting be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for filing with the SEC.

**AUDIT COMMITTEE**

**Mark A. Lettes, Chair**  
**Ricardo M. Campoy**  
**Gregory P. Raih**

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**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of this proxy statement with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis section be included in this proxy statement and incorporated by reference into our 2012 Annual Report on Form 10-K.

**COMPENSATION COMMITTEE**

**Ricardo M. Campoy, Chair**  
**Patrick M. James**  
**Mark A. Lettes**  
**Gary A. Loving**  
**Richard F. Nanna**  
**Andrew G. Sharkey, III**

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

We do not have any interlocking relationships between any member of our Compensation Committee and any of our executive officers that would require disclosure under the applicable rules promulgated under the U.S. federal securities laws.

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**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis provides information about our executive compensation program. It describes the philosophy and objectives of our executive compensation program and how we applied those objectives in compensating our executive officers during 2012. For 2012, our named executive officers, or NEOs, include the following individuals:

- Bruce D. Hansen, Chief Executive Officer or CEO;
  
- David A. Chaput, Chief Financial Officer or CFO;
  
- Robert I. Pennington, Chief Operating Officer or COO;
  
- R. Scott Roswell, Vice President, Human Resources and Corporate Counsel; and
  
- Lee M. Shumway, Controller and Treasurer.

Our executive team is key to the Company's achievement of its business strategy. Our executives were carefully selected to lead the implementation of our business as a result of their significant experience in mine development, project financing, and operations.

**Executive Summary**

***Our Business Strategy***

We are a development stage company in the business of the exploration, development and future mining of properties containing molybdenum. Our business strategy is to acquire and develop highly profitable advanced stage mineral deposits. Our primary asset is an 80% interest in the Mt. Hope Project, a primary molybdenum property located in Eureka County, Nevada. We also have a second significant molybdenum project, the Liberty Property, located in Nye County, Nevada, which we wholly own.

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In the near-term, our objective is to profitably construct and operate the Mt. Hope Project and to complete our evaluation and commence development of the Liberty Project. We are prudently advancing pre-construction at the Mt. Hope Project in an effort to maintain project schedule and conserve cash until we complete full financing for the project. Once we complete project financing, we will advance construction activities at the Mt. Hope project, anticipated to be completed over a 24-month period.

### *Significant Company Developments During 2012*

During 2012, we achieved significant milestones in our development of the Mt. Hope Project. In 2012, we made progress on concluding a definitive term sheet with China Development Bank ( CDB ) and its syndicate to provide term loan financing for the construction of the Mt. Hope mine and mill operations. Also in 2012, after working cooperatively through two Preliminary Draft Environmental Impact Statements, the Bureau of Land Management issued a Record of Decision (ROD) approving our Plan of Operations and Rights of Way for an electrical transmission line for the development and operation of the Mt. Hope Project, subject to an appeal discussed below. The State of Nevada also approved certain permits necessary for the construction of the Mt. Hope mine and mill operations. An appeal of our water permits for the Mt. Hope Project, previously approved by the Nevada State Engineer, was dismissed by the Nevada State District Court. We believe the efforts of our executive officers were instrumental in helping us achieve these important results to advance the Mt. Hope Project to construction.

Chinese Bank Term Loan - Project Financing. Hanlong, a significant shareholder of the Company, is obligated to use commercially reasonable efforts to procure a bank term loan to finance our share of the Mt. Hope Project's development costs in an amount of at least \$665 million as part of a series of agreements that we signed with Hanlong in 2010. On February 16, 2012, the Company announced CDB had confirmed the basic terms underlying a proposed \$665 million term loan to finance the Company's



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80% share of development costs for the Mt. Hope Project, including a CDB intention to lend \$399 million and arrange a consortium of Chinese and international banks to fund the balance of \$266 million. The proposed loan is anticipated to carry a maturity of 12 years including a 30-month grace period to allow for the construction of the Mt. Hope Project. The interest rate would remain subject to market conditions and Chinese government policy. Hanlong or an affiliate is obligated to guarantee the loan. When funds can be drawn by the Company under the loan, the Company will pay a \$15 million arrangement fee to Hanlong who will pay fees and expenses associated with the loan, including those charged by the bank. Arrangement of the Chinese bank loan is a condition precedent to Hanlong closing on Tranche 2 of its \$40 million equity investment for an additional 12.5% of the Company's common stock, bringing Hanlong ownership to 25% on a fully diluted basis.

On March 20, 2013, the Company was notified by legal counsel that CDB had provided instructions to suspend work on the Term Loan. This suspension relates to reports that Mr. Liu Han, Chairman of Hanlong, has been detained by Chinese authorities. In the near term, the Company is working with Hanlong to secure another Chinese strategic partner to help advance the full financing of the Mt. Hope Project.

State and Federal Permitting Efforts. On November 16, 2012, the U.S. Bureau of Land Management ( BLM ) issued its Record of Decision authorizing development and operation of the Mt. Hope Project.

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project filed a Complaint against the United States Department of Interior and BLM in the U.S. District Court, District of Nevada, seeking relief under the National Environmental Policy Act ( NEPA ) and other federal laws challenging the BLM's issuance of the ROD for the Mt. Hope Project, and the Plaintiffs filed a Motion for a Preliminary Injunction on February 20, 2013. We filed an unopposed Motion to Intervene on March 12, 2013 and opposition to the Motion for Preliminary Injunction on March 29, 2013. Plaintiffs' Reply Brief was filed on April 12, 2013. Presently, there is no hearing date set for the motion.

The Mt. Hope Project underwent an exhaustive environmental analysis and review that lasted more than 6 years. The process to complete the Environmental Impact Statement ( EIS ) included extensive public and cooperation agency input (including the BLM, the National Park Service, the U.S. Environmental Protection Agency, the Nevada Division of Wildlife and the County of Eureka). The Company supports the work completed by the BLM and believes that the ROD complies with all federal statutes and rules, is very robust and defensible.

The State of Nevada Division of Environmental Protection ( NDEP ) issued a Reclamation Permit, authorizing surface disturbance and construction of facilities, and a Water Pollution Control Permit ( WPC ) for the Mt. Hope Project in November 2012. On January 2, 2013, the Public Utilities Commission of Nevada ( PUCN ) granted the LLC's permit to construct a 230 kV power line that interconnects with Nevada Energy's transmission system at the existing Machacek Substation located near the town of Eureka, NV and extend it approximately 25 miles to the planned Mt. Hope Substation.

Water Rights Update. The Nevada State Engineer ( State Engineer ) issued all water permits for the Project on December 14, 2011 and certain amended permits on January 4, 2012, and the water became available for use following the State Engineer's approval of the Company's Monitoring, Management and Mitigation Plan ( 3M Plan ) on June 6, 2012. Two individual water rights holders appealed the State Engineer's approval of the Company's 3M Plan to the Nevada State District Court. Following oral argument on April 15, 2013, the Court denied the Petition for Judicial Review of the 3M Plan. The Court's written Order is pending.

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In August, 2011, Eureka County and two other parties comprised of three individual water rights holders in Diamond Valley and one in Kobeh Valley appealed to the Nevada State District Court ( District Court ) the State Engineer s July 15, 2011 Ruling that granted the Company s water rights applications. On June 13, 2012, the District Court denied the appeals and affirmed the State Engineer s Ruling. On July 10 and 11, 2012, respectively, Eureka County and another party comprised of one individual water rights holder in Diamond Valley and one in Kobeh Valley filed Notices of Appeal with the Nevada Supreme Court, appealing the District Court s Order denying their appeals of the State Engineer s 2011 Ruling. We are confident the Nevada Supreme Court will uphold the District Court s Order which denied all appeals of the State Engineer s 2011 Ruling.

Notwithstanding, subject to the ongoing Supreme Court appeal, the Company s water permits have been

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granted and the water remains available to the Company, as described above, for use at the Mt. Hope Project.

***Highlights of Our Executive Compensation for 2012***

The Compensation Committee formally reviews all aspects of the executive compensation program throughout the year and has the authority to make adjustments based on its collective judgment. When considering adjustments to the executive compensation program, the Compensation Committee includes the following factors during its decision making process:

1. Company performance,
2. Executive compensation and governance best practices,
3. NEO achievement of the Company's annual and long-term business milestones and individual performance objectives, and
4. Shareholder feedback via Say on Pay voting results.

As a result of the support the 2011 and 2012 Say on Pay proposals received, the Company's compensation policies and decisions remained consistent with our objectives to enhance stockholder value by aligning the financial interests of our executive officers with those of our stockholders and to reward our executives for achieving our business objectives. In addition, we took into account the achievement of milestones for the Mt. Hope Project in making our executive compensation decisions for 2012, as follows:

*Adjustments to Base Salary.* In 2012, in keeping with our compensation philosophy and competitive analysis with the Company's peer group, the NEO salaries were increased ranging from 2% to 11%. For 2012, our NEO salaries ranged from 90% to 95% of the median base salary for our peer group. During 2012, the annual base salary component of our executive compensation program ranged from approximately 35% to 44% of our NEOs' total compensation. The Compensation Committee has not approved any base salary increases for 2013.

*Annual Incentive Awards.* In February 2012, the Compensation Committee reviewed 2011 performance and approved 2011 cash incentive awards, at 85% of Company goal achievement, approximately two-thirds of which was paid in February 2012 with the remaining approximately one-third paid upon receipt of the ROD from the BLM. This milestone was achieved in November 2012 and payment occurred in December 2012.

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In February 2013, the Compensation Committee reviewed 2012 performance and approved 2012 cash incentive awards, at 89% of Company goal achievement, which amount was paid on March 8, 2013.

*Performance-Based and Other Equity Awards.* In December 2012, the Compensation Committee maintained the practice of granting equity using a portfolio approach as it continues to support the Company's priorities of pay-for-performance, attraction and retention and reasonable share utilization. For the 2012 grants, the Committee approved an equity mix of 25% performance-vested stock appreciation rights ( SAR ), 25% performance-vested restricted stock units ( RSU ) and 50% time-vested RSUs for our NEOs. Performance-vested SARs and RSUs will vest 50% upon the commencement of commercial production at the Mt. Hope Project and 50% one year thereafter. RSUs will vest incrementally over three years at the anniversary of the grant date. During 2012, the annual performance-based equity component of our executive compensation program ranged from approximately 25% to 31% of our NEOs' total compensation and the time-based equity component ranged from 8% to 10% of our NEOs' total compensation.

### **Executive Compensation Philosophy and Objectives**

Because of our modest size and stage of development, we do not have an extensive executive compensation program. Instead, we have a fairly simple executive compensation program that is intended to provide appropriate incentives for our executive officers to help us achieve our business strategy. Our executive compensation program currently has three primary elements: base

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salary, annual cash incentives, and long-term equity incentives, which are divided between performance based and time/retention based equity incentives. The overall objective of our program is to enable us to obtain and retain the services of experienced executives. The compensation packages for our executive officers are designed to promote teamwork as well as individual initiative and achievement; to enhance stockholder value by aligning the financial interests of our executive officers with those of our stockholders; and to motivate and reward executives whose knowledge, skills and performance are critical to our success. Compensation depends to a significant extent on the achievement of annual and long-term performance goals. Essential to our compensation philosophy is the omission of egregious or overly generous compensation, excessive perquisites or tax gross ups on perquisites, repricing or replacement of stock awards, and hedging of Company stock. We have entered into Employment Agreements with our CEO, CFO, and COO, and Change of Control Severance, Confidentiality and Non-Solicitation Agreements with our two other NEOs. A summary of each of these agreements is included following the executive compensation tables under the heading Potential Payments Upon Termination or Change in Control. We believe that these agreements are necessary to attract and retain executives experienced in mine development, corporate and project finance and operations to develop the Mt. Hope project, grow the Company and increase our stockholder value. In establishing the agreement with each executive officer, our Compensation Committee takes into account many factors, including the individual's prior business experience, historical compensation levels, work performance, retention considerations and our business need for the executive's skills. The committee also considered external market data, market trends, and drew upon the individual experience of the committee members.

**Our Executive Compensation Process**

*Role of Compensation Committee and Executive Officers*

Our Compensation Committee has overall responsibility for (1) establishing, overseeing and evaluating the compensation philosophy, policies and plans for non-employee directors and executive officers, (2) making recommendations to the Board regarding director compensation and (3) reviewing the performance and determining the compensation of our CEO and the other executive officers. The committee oversees the administration of our equity incentive plans, reviews and approves any employment, severance or change in control agreements and performs other functions set forth in its charter.

In carrying out its responsibilities, the committee works with members of our management team, including our CEO, and consults with legal counsel and independent compensation consultants as it deems appropriate. The management team assists the committee by providing information on Company and individual performance, market data and management's perspective and recommendations on compensation matters. Although the committee solicits and reviews management's recommendations, the committee considers management's recommendations as merely one factor in making compensation decisions for our executive officers. The committee regularly reports to, and sometimes consults with, our Board on the results of its reviews and any actions it takes or proposes to take with respect to compensation policies and executive officer compensation decisions.

*Role of Compensation Consultant*

On an annual basis, the Compensation Committee formally reviews the performance of Towers Watson, a national compensation consulting firm. Based on the results of this review, Towers Watson was re-engaged by the Committee for 2013. For 2012, the committee re-engaged Towers Watson to provide it with information, recommendations and other advice relating to executive and director compensation. During 2012, Towers Watson participated in five committee meetings and provided assistance to the committee regarding a review of its recommendations related to our executive officer base salaries, annual cash incentive compensation and long-term equity award levels and updating its compensation philosophy for the three-year period 2011-2013. In addition, during 2012 Towers Watson provided information and

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recommendations to the committee regarding, among other things, the design and guidelines for annual performance cash incentive awards, guidelines for severance benefits following changes in control, parachute payment provisions, Board compensation matters and recent legislative risk and regulatory developments.

Towers Watson does not perform any services directly to the Company, nor does Towers Watson or any of its advisors assigned to our Compensation Committee have any business or personal relationship with any of the committee members or any of our executive officers. Neither Towers Watson nor any of the advisors holds stock in the Company. The committee has evaluated the relationship with Towers Watson and has determined that a conflict

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of interest does not exist with the ongoing retention of Towers Watson as an advisor to the committee. Total fees expended for 2012 through December 31, 2012 were \$136,458.

***Our Peer Group***

One of the purposes of the committee in hiring Towers Watson is to assist the committee in comparing our executive compensation program with executive compensation programs of peer companies. As we progress from a development stage company to an operational mining company, the committee intends to adjust the elements and base salaries of our executive compensation program based on market data and relevant trend information for our peer group. The committee reviews market data provided by Towers Watson from current and prior years to compare our executive compensation elements and pay levels to those of operational companies of comparable scale with which we compete for talent and business. The committee, with the assistance of Towers Watson, selected designated peer group companies consisting of North American companies primarily engaged in the hard rock mining of metals and coal mining, as well as other general industry companies, to use for comparison.

In 2012, Towers Watson updated our peer group and benchmark information to reflect (1) revised economic and business projections, (2) up-to-date market compensation data, and (3) our progress towards becoming an operational mining company using publicly available compensation data (*e.g.*, from proxy statements) to reflect comparative companies similar to our projected post-operational size, targeting companies approximately one-half to two times our projected post-operational annual revenue of \$600 million. For purposes of this comparison, we defined the market value for each executive position as the average of data from proxy statements from a selected group of peer companies with which we compete for talent and business. Our operational peer group for 2012 includes the following companies:

- AMCOL International Corporation
- Aurizon Mines
- Capstone Mining Corp.
- HudBay Minerals Inc.
- James River Coal Company
- New Gold Inc.
- Molycorp
- Imperial Metals
- Stillwater Mining Co.
- Hecla Mining Co.
- Thompson Creek Metals Company Inc.
- Mercator Minerals
- Westmoreland Coal Co.
- Taseko Mines

**Elements of Compensation and 2012 Compensation Decisions**

Our compensation program has three primary elements: base salary, annual cash incentive awards and long-term equity-based incentives. Our executive officers also participate in employee benefits that are generally available to all of our employees. Each of these primary elements is discussed in further detail below.

***Base Salary***

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Base salary represents the fixed portion of our executive officers' compensation and is an important element of compensation to attract, retain and motivate experienced executives. We establish our executives' salaries based on consideration of, among other things:

- Performance and experience,
- Scope of their responsibilities,
- Competitive market compensation data for similar positions provided by Towers Watson,
- Seniority of the individual,
- And ability to replace the individual.

The committee reviews base salaries annually and makes adjustments from time to time. An adjustment to an executive's salary may be made, for example, to align that salary with the committee's perception of market levels,



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taking into account the individual's responsibilities, performance and experience. As a development stage company with limited financial resources, the salaries for our executive officers were initially established at levels the committee believes were below the median salaries for comparable positions with operating companies. From 2006 through 2012, the committee has made periodic adjustments to some executive salaries to bring the salaries closer to amounts the committee believes more closely reflect salaries paid to individuals in operating companies with similar positions and responsibilities.

We target the salary range midpoints for each executive position at the median of the competitive peer group when the Company reaches production. The committee guideline for the salary range for each executive position is  $\pm 20\%$  of the midpoint (80% to 120% of the median). For 2012, our base salaries compared to the median of our peer group are as follows:

Name	2011 Annualized Base Salary	2012 Approved Increases	2012 Annualized Base Salary	GMI Comparison to Median Benchmark
Bruce D. Hansen	\$ 500,000	10%	\$ 550,000	95%
David A. Chaput	\$ 295,000	6%	\$ 312,700	95%
Robert I. Pennington	\$ 270,000	10%	\$ 297,000	91%
R. Scott Roswell	\$ 230,000	9%	\$ 250,700	92%
Lee M. Shumway	\$ 215,000	9%	\$ 234,350	90%

In line with our plan to advance base salaries toward the median of the competitive operational peer group, for 2012, the Company approved base salary increases in December, 2011 as indicated above. The increases were approved because the salaries of each were below market competitive levels based on market data provided to the committee by Towers Watson in 2012.

The committee has not recommended any salary increases for 2013.

**Annual Incentive Awards**

Our executive officers have the opportunity to earn annual incentive awards in the form of a cash incentive award for achievement of corporate and individual goals and objectives. Annual incentive awards have traditionally been paid to executive officers to recognize specific accomplishments and overall performance, as determined by the committee in its discretion.

Although we target annual cash pay, the committee retains full discretion to adjust annual incentive awards based on its collective judgment of the CEO's and executives' achievement of business milestones and individual objectives. For 2012, the annual incentive awards for our executive officers were determined by the committee, in its discretion, based on achievement of the following business and individual objectives:

Corporate Business Goals	Weight
Financing & Liquidity	35%
Engineering and construction	35%

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Permitting, Environmental & Water Rights	15%
Safety & Health	10%
Administration	5%

As a result of the committee's review of the business goals listed above, incentive awards were paid to our NEOs at a rate of 89% goal achievement. For 2012, our actual total annual cash compensation compared to the median of our operating company peer group is as follows:

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Name	2012 Base Salary	2012 Annual Incentive Award, based on 89% Goal Achievement	2012 Annual Cash Compensation	Comparison to Benchmark Median	% of
Bruce D. Hansen	\$ 550,000	\$ 367,125	\$ 917,125		76%
David A. Chaput	\$ 312,700	\$ 146,969	\$ 459,669		87%
Robert I. Pennington	\$ 297,000	\$ 136,620	\$ 433,620		83%
R. Scott Roswell	\$ 250,700	\$ 125,350	\$ 376,050		86%
Lee M. Shumway	\$ 234,350	\$ 113,660	\$ 348,010		89%

**Long-Term Equity Incentives**

As a development stage company with limited financial resources, long-term equity awards are a significant element of our executive compensation program. Equity awards have been a key component in attracting and retaining our executive officers. Each of our NEOs negotiated equity awards in his employment or offer letter agreement.

Below is a summary of 2012 equity award grants for our executive officers:

Name	Performance-Based Stock Appreciation Rights (1)	Performance-Based Restricted Stock Units (2)	Time-Based Restricted Stock Units (3)
Bruce D. Hansen	112,007	36,962	73,925
David A. Chaput	56,004	18,481	36,962
Robert I. Pennington	56,004	18,481	36,962
R. Scott Roswell	40,730	13,441	26,882
Lee M. Shumway	40,730	13,441	26,882

(1) These SARs were granted on December 12, 2012, with a base price of \$3.72 per share, the closing price of our common stock on the date of grant. Subject to continuous employment, the SARs vest 50% upon commencement of commercial production of the Mt. Hope Project and 50% one year after the commencement of commercial production.

(2) These RSUs were granted on December 12, 2012. Subject to continuous employment, the RSUs vest 50% upon commencement of commercial production of the Mt. Hope Project and 50% one year after the commencement of commercial production.

(3) These RSUs were granted on December 12, 2012. Subject to continuous employment, the RSUs vest one-third on December 12, 2013, one-third on December 12, 2014 and the remaining one-third on December 12, 2015.

**Employee Benefits**

Our executive officers generally participate in the same employee benefit programs (401(k) plan, health, dental, vision, life, accident and disability insurance) as other employees. In 2012, the Company initiated an executive physical program with the University of Colorado Hospital. The Company covers the cost of the executive officer to participate in the executive physical program every two (2) years. Messrs. Hansen, Chaput, Shumway and Roswell participated in 2012. Mr. Pennington will participate in 2013.

#### **Employment and Change of Control Agreements**

In order to attract and retain key executives, the Company previously entered into employment agreements with Mr. Hansen and Mr. Chaput that expired on December 31, 2011. Effective January 1, 2012, the agreements for Mr. Hansen and Mr. Chaput were amended and restated to extend the term of the agreements to terminate automatically on the earlier of (1) the one-year anniversary of the date on which the Company achieves Commercial Production (as such term is defined in the Amended and Restated Limited Liability Agreement of Eureka Moly, LLC dated February 26, 2008) and (2) December 31, 2015; and to eliminate the single-trigger change of control arrangement. Mr. Pennington entered into a similar Employment Agreement on December 12, 2012 which will terminate automatically, if not otherwise extended, on the earlier of (1) the one-year anniversary of the date on which the Company achieves Commercial Production (as such term is defined in the Amended and Restated Limited

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Liability Agreement of Eureka Moly, LLC dated February 26, 2008) and (2) December 31, 2016. Pursuant to described employment agreements, generally, if a change of control occurs and the Company (or its successor) terminates the employment of Messrs. Hansen, Chaput, or Pennington without cause during the one year period following the closing of the change of control event (a double-trigger arrangement) or the executive terminates employment for good reason, which includes a material diminution of the executive's duties or compensation; geographic relocation; direction to the executive that would violate local, state, or federal law; or, failure of the Company to pay base compensation in a timely manner, Messrs. Hansen, Chaput and Pennington are each entitled to: (a) a lump sum payment of (i) three times the executive's annual base compensation, (ii) 100% of the executive's target annual incentive award for one year, and (iii) as to Mr. Hansen and Mr. Chaput each of their cash incentive award for major financing, if it has not previously been paid and (b) full vesting of all outstanding stock-based equity awards, if not otherwise accelerated under the provision of a change of control in the Company's Equity Incentive Plan. The severance payment is subject to execution of a binding termination release and confidentiality, non-competition, and non-solicitation covenants.

The terms of employment for Mr. Roswell, and Mr. Shumway are covered by offer letter agreements and change of control severance agreements. In January 2012, Change of Control Severance, Confidentiality and Non-Solicitation Agreements were entered into with Mr. Roswell and Mr. Shumway, and include the same definition of change of control as the agreements for Messrs. Hansen, Chaput and Pennington. Generally, if a change of control occurs on or before the date upon which the Company achieves Commercial Production (as such term is defined in the Amended and Restated Limited Liability Agreement of Eureka Moly, LLC dated February 26, 2008) and as a result of the closing of the change of control, or during the one-year period immediately following the closing of the change of control and the Company (or its successor) terminates the employment of the covered executive without cause during the one-year period following the closing of the change of control event (a double-trigger arrangement) or the executive terminates employment for good reason, which includes a material diminution of Mr. Roswell or Mr. Shumway's duties or compensation; geographic relocation; direction to the executive that would violate local, state, or federal law; or, failure of the Company to pay base compensation in a timely manner, the executive will be entitled to a lump sum severance payment. The severance payment is subject to execution of a binding termination release agreement and confidentiality and non-solicitation covenants. The amount of the severance payment will be equal to two times the executive's annual base salary plus 100% of his target annual incentive award for one year, if any, and vesting of all outstanding stock-based equity awards, if not otherwise accelerated under the provision of a change of control in the Company's Equity Incentive Plan.

**Individual Executive Officers and the CEO**

Each of our executive officers is considered individually in the compensation setting process. In setting cash compensation, the primary factors are the scope of the executive officer's duties and responsibilities, the executive officer's performance of those duties and responsibilities, the executive officer's experience level and tenure with us, and a general evaluation of the competition in the market for key executives with the executive officer's experience. Long-term equity incentives are focused largely on retention of our executive officers and matching the financial interests of our executive officers with those of our stockholders.

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The following table lists the annual compensation information for the fiscal years 2012, 2011, and 2010 of our Chief Executive Officer, Chief Financial Officer, and our three other NEOs.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Incentive Award (1) (\$)</b>	<b>Stock Awards (2) (\$)</b>	<b>Option /SAR Awards (2) (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Bruce D. Hansen (3) Chief Executive Officer	2012	550,000	530,308	412,500	284,386	20,132(3)	1,797,326
	2011	500,000	531,130	328,000	317,870	13,544(3)	1,690,544
	2010	450,000	111,375	329,400	298,331	13,492(3)	1,202,598
David A. Chaput (4) Chief Financial Officer	2012	312,700	215,898	206,248	142,194	17,867(4)	894,907
	2011	295,000	226,809	144,320	136,230	13,490(4)	815,849
	2010	275,000	45,375	148,230	132,591	11,555(4)	612,751
Robert I. Pennington (5) Chief Operating Officer	2012	297,000	199,567	206,248	142,194	14,404(5)	859,413
	2011	270,000	229,479	144,320	136,230	15,190(5)	795,219
	2010	250,000	41,250	148,230	132,591	14,301(5)	586,372