PFIZER INC
Form 10-Q
May 12, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarterly period ended April 3, 2011

OR

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

For the transition period from _______ to _______

COMMISSION FILE NUMBER 1-3619

PFIZER INC.
(Exact name of registrant as specified in its charter)

DELAWARE	13-5315170
(State of Incorporation)	(I.R.S. Employer Identification No.)

235 East 42nd Street, New York, New York 10017
(Address of principal executive offices) (zip code)
(212) 733-2323
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES x NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large Accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES o NO x

At May 9, 2011, 7,901,130,426 shares of the issuer’s voting common stock were outstanding.

FORM 10-Q

For the Quarter Ended

April 3, 2011

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended	
(millions, except per common share data)	April 3, 2011	April 4, 2010
Revenues	$16,502	$16,576
Costs and expenses:		
Cost of sales(a)	3,693	4,202
Selling, informational and administrative expenses(a)	4,503	4,403
Research and development expenses(a)	2,091	2,221
Amortization of intangible assets	1,376	1,409
Acquisition-related in-process research and development charges	-	74
Restructuring charges and certain acquisition-related costs	894	706
Other deductions—net	827	412
Income from continuing operations before provision for taxes on income	3,118	3,149
Provision for taxes on income	894	1,135
Income from continuing operations	2,224	2,014
Discontinued operations:		
Income from operations—net of tax	10	19
Gain on sale of discontinued operations—net of tax	-	2
Discontinued operations—net of tax	10	21
Net income before allocation to noncontrolling interests	2,234	2,035
Less: Net income attributable to noncontrolling interests	12	9
Net income attributable to Pfizer Inc.	$2,222	$2,026
Earnings per common share—basic:		
Income from continuing operations attributable to Pfizer Inc. common shareholders	$0.28	$0.25
Discontinued operations—net of tax	—	—
Net income attributable to Pfizer Inc. common shareholders	$0.28	$0.25
Earnings per common share—diluted:		
Income from continuing operations attributable to Pfizer Inc. common shareholders	$0.28	$0.25
Discontinued operations—net of tax	—	—

Net income attributable to Pfizer Inc. common shareholders	$0.28	$0.25
Weighted-average shares used to calculate earnings per common share:		
Basic	7,982	8,061
Diluted	8,035	8,101
Cash dividends paid per common share	$0.20	$0.18

(a) Exclusive of amortization of intangible assets, except as disclosed in Note 11.B Goodwill and Other Intangible Assets: Other Intangible Assets.

See accompanying Notes to Condensed Consolidated Financial Statements.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(millions of dollars)	April 3, 2011 (Unaudited)	Dec. 31, 2010
Assets		
Cash and cash equivalents	$ 730	$ 1,735
Short-term investments	23,279	26,277
Accounts receivable, less allowance for doubtful accounts	15,182	14,426
Short-term loans	406	467
Inventories	8,467	8,275
Taxes and other current assets	8,755	8,394
Assets of discontinued operations and other assets held for sale	1,425	1,439
Total current assets	58,244	61,013
Long-term investments and loans	9,811	9,747
Property, plant and equipment, less accumulated depreciation	18,833	18,645
Goodwill	44,853	43,928
Identifiable intangible assets, less accumulated amortization	58,497	57,555
Taxes and other noncurrent assets	4,718	4,126
Total assets	$ 194,956	$ 195,014
Liabilities and Shareholders' Equity		
Short-term borrowings, including current portion of long-term debt	$ 6,093	$ 5,603
Accounts payable	3,750	3,994
Dividends payable	1	1,601
Income taxes payable	1,958	951
Accrued compensation and related items	1,849	2,080
Other current liabilities	15,338	14,256
Liabilities of discontinued operations	182	151
Total current liabilities	29,171	28,636
Long-term debt	35,308	38,410
Pension benefit obligations	5,929	6,194
Postretirement benefit obligations	3,041	3,035
Noncurrent deferred tax liabilities	19,414	18,628
Other taxes payable	6,590	6,245
Other noncurrent liabilities	4,970	5,601
Total liabilities	104,423	106,749
Preferred stock	49	52
Common stock	444	444
Additional paid-in capital	70,925	70,760
Employee benefit trusts	(6)	(7)
Treasury stock	(24,215)	(22,712)
Retained earnings	44,926	42,716
Accumulated other comprehensive loss	(2,056)	(3,440)
Total Pfizer Inc. shareholders' equity	90,067	87,813

Equity attributable to noncontrolling interests	466	452
Total shareholders’ equity	90,533	88,265
Total liabilities and shareholders’ equity	$ 194,956	$ 195,014

See accompanying Notes to Condensed Consolidated Financial Statements.

PFIZER INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended	
(millions of dollars)	April 3, 2011	April 4, 2010
Operating Activities:		
Net income before allocation to noncontrolling interests	$2,234	$2,035
Adjustments to reconcile net income before allocation to noncontrolling interests to net cash provided by/(used in) operating activities:		
Depreciation and amortization	2,104	2,051
Share-based compensation expense	122	138
Asset write-offs and impairment charges	165	59
Acquisition-related in-process research and development charges	-	74
Deferred taxes from continuing operations	(120)	840
Other non-cash adjustments	(2)	260
Benefit plan contributions (in excess of)/less than expense	(383)	163
Other changes in assets and liabilities, net of acquisitions and divestitures	522	(11,980)
Net cash provided by/(used in) operating activities	4,642	(6,360)
Investing Activities:		
Purchases of property, plant and equipment	(250)	(305)
Purchases of short-term investments	(3,352)	(2,178)
Proceeds from redemptions and sales of short-term investments, net	8,406	11,388
Purchases of long-term investments	(1,932)	(858)
Proceeds from redemptions and sales of long-term investments	888	1,127
Acquisitions, net of cash acquired	(3,169)	-
Other investing activities	134	220
Net cash provided by investing activities	725	9,394
Financing Activities:		
Increase in short-term borrowings	2,682	1,892
Principal payments on short-term borrowings, net	(2,220)	(3,663)
Principal payments on long-term debt	(3,878)	(9)
Purchases of common stock	(1,430)	-
Cash dividends paid	(1,591)	(1,441)
Other financing activities	33	10
Net cash used in financing activities	(6,404)	(3,211)
Effect of exchange-rate changes on cash and cash equivalents	32	(42)
Net decrease in cash and cash equivalents	(1,005)	(219)
Cash and cash equivalents at beginning of period	1,735	1,978
Cash and cash equivalents at end of period	$730	$1,759

Supplemental Cash Flow Information:		
Cash (refunded)/paid for income taxes	$(134)	$10,547
Cash paid for interest	687	792

See accompanying Notes to Condensed Consolidated Financial Statements.

PFIZER INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Basis of Presentation

We prepared the condensed consolidated financial statements following the requirements of the Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by accounting principles generally accepted in the United States of America (U.S. GAAP) can be condensed or omitted. Balance sheet amounts and operating results for subsidiaries operating outside the U.S. are as of and for the three-month periods ended February 27, 2011, and February 28, 2010. We have made certain reclassification adjustments to conform prior-period amounts to the current presentation, primarily related to discontinued operations (see Note 4. Discontinued Operations) and segment reporting (see Note 15. Segment, Product and Geographic Area Information).

On January 31, 2011, we completed the tender offer for all of the outstanding shares of common stock of King Pharmaceuticals, Inc. (King) and acquired approximately 92.5% of the outstanding shares for approximately $3.3 billion in cash. On February 28, 2011, we acquired the remaining outstanding shares of King for approximately $300 million in cash (for additional information, see Note 3. Acquisition of King Pharmaceuticals, Inc.). Commencing from January 31, 2011, our financial statements include the assets, liabilities, operating results and cash flows of King. As a result, and in accordance with our domestic and international reporting periods, our condensed consolidated financial statements for the quarter ended April 3, 2011 reflect approximately two months of King's U.S. operations and approximately one month of King's international operations.

Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be representative of those for the full year.

We are responsible for the unaudited financial statements included in this document. The financial statements include all normal and recurring adjustments that are considered necessary for the fair presentation of our financial position and operating results.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Note 2. Adoption of New Accounting Policies

The provisions of the following new accounting standards were adopted as of January 1, 2011 and did not have a significant impact on our condensed consolidated financial statements:

New guidelines that address the recognition and presentation of the annual fee paid by pharmaceutical companies beginning on January 1, 2011 to the U.S. Treasury as a result of U.S. Healthcare Legislation. As a result of adopting this new standard, we are recording the annual fee ratably throughout the year in the Selling, informational and administrative expenses line item in our condensed consolidated statement of income.

An amendment to the guidelines that address the accounting for multiple-deliverable arrangements to enable companies to account for certain products or services separately rather than as a combined unit.

Note 3. Acquisition of King Pharmaceuticals, Inc.

On January 31, 2011 (the acquisition date), we completed our tender offer for all of the outstanding shares of common stock of King at a purchase price of $14.25 per share in cash and acquired approximately 92.5% of the outstanding shares. On February 28, 2011, we acquired all of the remaining shares of King for $14.25 per share in cash. As a result, the total fair value of consideration transferred for King was approximately $3.6 billion in cash ($3.2 billion, net of cash acquired).

King's principal businesses consist of a prescription pharmaceutical business focused on delivering new formulations of pain treatments designed to discourage common methods of misuse and abuse; the Meridian auto-injector business for emergency drug delivery, which develops and manufactures the EpiPen; an established products portfolio; and an animal health business that offers a variety of feed-additive products for a wide range of species.

PFIZER INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The following table summarizes the provisional recording, primarily at fair value, of the assets acquired and liabilities assumed as of the acquisition date:

(millions of dollars)	Amounts Recognized as of Acquisition Date (Provisional)	
Working capital, excluding inventories	$	210
Inventories		340
Property, plant and equipment		413
Identifiable intangible assets, excluding in-process research and development		1,781
In-process research and development		301
Net tax accounts		(384)
All other long-term assets and liabilities, net		114
Total identifiable net assets		2,775
Goodwill		780
Net assets acquired/total consideration transferred	$	3,555

As of the acquisition date, the fair value of accounts receivable approximated the book value acquired. The gross contractual amount receivable was $200 million, virtually all of which is expected to be collected.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the acquisition of King includes the following:

- the expected synergies and other benefits that we believe will result from combining the operations of King with the operations of Pfizer;

- any intangible assets that do not qualify for separate recognition, as well as future, yet unidentified projects and products; and

- the value of the going-concern element of King’s existing businesses (the higher rate of return on the assembled collection of net assets versus if Pfizer had acquired all of the net assets separately).

Goodwill is not amortized and is not deductible for tax purposes. While the allocation of goodwill among reporting units is not complete, we expect that substantially all of the goodwill will be related to our biopharmaceutical reporting units (see Note 11. Goodwill and Other Intangible Assets for additional information).

The assets and liabilities arising from contingencies recognized at acquisition date, which are subject to change, are not significant to Pfizer’s financial statements.

The recorded amounts are provisional and subject to change. Specifically, the following items are subject to change:

- Amounts for intangibles, inventory and property, plant and equipment (PP&E), pending finalization of valuation efforts for acquired intangible assets as well as the completion of certain physical inventory counts and the confirmation of the physical existence and condition of certain PP&E assets.

Amounts for environmental contingencies, pending the finalization of our assessment and valuation of environmental matters.

Amounts for legal contingencies, pending the finalization of our examination and evaluation of the portfolio of filed cases.

Amounts for income tax assets, receivables and liabilities pending the filing of King's pre-acquisition tax returns and the receipt of information from taxing authorities, which may change certain estimates and assumptions used.

The allocation of goodwill among reporting units.

PFIZER INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The following table presents information for King that is included in Pfizer's condensed consolidated statement of income from the acquisition date, January 31, 2011, through Pfizer's first-quarter 2011 domestic and international quarter-ends:

(millions of dollars)	King's Operations Included in Pfizer's First Quarter 2011 Results
Revenues	$ 224
Loss from continuing operations attributable to Pfizer Inc. common shareholders(a)	(69)

(a) Includes purchase accounting adjustments related to the fair value adjustments for acquisition-date inventory estimated to have been sold ($57 million pre-tax), amortization of identifiable intangible assets acquired from King ($29 million pre-tax) and restructuring and integration costs ($95 million pre-tax).

The following table presents supplemental pro forma information as if the acquisition of King had occurred on January 1, 2010:

	Pro Forma Consolidated Results	
	Three Months Ended	
(millions of dollars, except per share data)	April 3, 2011	April 4, 2010
Revenues	$ 16,611	$ 16,949
Income from continuing operations attributable to Pfizer Inc. common shareholders	2,313	1,910
Diluted earnings per share attributable to Pfizer Inc. common shareholders	0.29	0.24

The unaudited pro forma consolidated results do not purport to project the future results of operations of the combined company nor do they reflect the expected realization of any cost savings associated with the acquisition. The unaudited pro forma consolidated results reflect the historical financial information of Pfizer and King, adjusted for the following pro forma pre-tax amounts:

Elimination of King's historical intangible asset amortization expense ($6 million in 2011 and $41 million in 2010).

Additional amortization expense (approximately $14 million in 2011 and $43 million in 2010) related to the fair value of identifiable intangible assets acquired.

Additional depreciation expense (approximately $1 million in 2011 and $3 million in 2010) related to the fair value adjustment to property, plant and equipment acquired.

Adjustment related to the fair value adjustments to acquisition-date inventory estimated to have been sold (elimination of $57 million charge in 2011 and addition of $57 million charge in 2010).

Adjustment for acquisition-related costs directly attributable to the acquisition (elimination of $117 million of charges in 2011 and addition of $117 million of charges in 2010, reflecting charges incurred by both King and

Pfizer).

Note 4. Discontinued Operations

We evaluate our businesses and product lines periodically for their strategic fit within our operations. In the first quarter of 2011, we decided to sell our Capsugel business. In connection with the decision to sell this business, for all periods presented, the operating results associated with this business have been reclassified into Discontinued operations— net of tax in the Condensed Consolidated Statements of Income, and the assets and liabilities associated with this business have been adjusted to fair value, less costs to sell, and reclassified into Assets of discontinued operations and other assets held for sale and Liabilities of discontinued operations, as appropriate, in the Condensed Consolidated Balance Sheets.

On April 4, 2011, we announced that we had entered into an agreement to sell Capsugel to an affiliate of Kohlberg Kravis Roberts & Co. L.P. for $2.375 billion in cash. The sale is subject to customary closing conditions, including regulatory approval in certain jurisdictions, such as the U.S. and the European Union, among others. We expect the transaction to be completed in the third quarter of 2011, assuming receipt of the required regulatory clearances and the satisfaction of other closing conditions.

PFIZER INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The following amounts, substantially all of which relate to our Capsugel business, have been segregated from continuing operations and included in Discontinued operations—net of tax in our Condensed Consolidated Statements of Income:

	Three Months Ended	
(millions of dollars)	April 3, 2011	April 4, 2010
Revenues	$177	$174
Pre-tax income from discontinued operations	$28	$30
Provision for taxes	(18)	(11)
Income from discontinued operations—net of tax	10	19
Pre-tax gain on sale of discontinued operations	—	3
Provision for income taxes	—	(1)
Discontinued operations—net of tax	$10	$21

The following assets and liabilities, which include assets and liabilities held for sale related to our Capsugel business, and other assets held for sale, have been segregated and included in Assets of discontinued operations and other assets held for sale and Liabilities of discontinued operations, as appropriate, in our Condensed Consolidated Balance Sheets:

(millions of dollars)	April 3, 2011	Dec. 31, 2010
Accounts receivable	$179	$186
Inventories	144	130
Taxes and other current assets	39	47
Property, plant and equipment	993	1,009
Goodwill	19	19
Identifiable intangible assets	6	3
Taxes and other noncurrent assets	45	45
Assets of discontinued operations and other assets held for sale	$1,425	$1,439
Current liabilities	$133	$124
Other liabilities	49	27
Liabilities of discontinued operations	$182	$151

Net cash flows of our discontinued operations from each of the categories of operating, investing and financing activities were not significant.

Note 5. Costs Associated with Cost-Reduction Initiatives and Acquisition Activity

We often incur significant costs in connection with acquiring, restructuring and integrating acquired businesses and in connection with our global cost-reduction initiatives. For example:

- for our cost-reduction initiatives, we typically incur costs and charges associated with site closings and other facility rationalization actions, workforce reductions and the expansion of shared services, including the development of global systems; and

- for our acquisition activity, we typically incur costs that can include transaction costs, integration costs (such as expenditures for consulting and systems integration) and restructuring charges, related to employees, assets and activities that will not continue in the combined company.

On February 1, 2011, we announced a new research and productivity initiative to accelerate our strategies to improve innovation and overall productivity in R&D by prioritizing areas with the greatest scientific and commercial promise, utilizing appropriate risk/return profiles and focusing on areas with the highest potential to deliver value in the near term and over time.

PFIZER INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

We incurred the following costs in connection with our cost-reduction initiatives and acquisition activity, such as King (acquired in 2011) and Wyeth (acquired in 2009):

(millions of dollars)	April 3, 2011
Transaction costs(a)	$10
Integration costs(b)	179
Restructuring charges(c):	
Employee termination costs	667
Asset impairments	25
Other	13
Restructuring charges and certain acquisition-related costs	894
Additional depreciation—asset restructuring (d)	
Cost of sales	172
Selling, informational and administrative expenses	7
Research and development expenses	64
Total additional depreciation—asset restructuring	243
Implementation costs(e)	

2017 Stay Incentive Agreements In December 2016, with the continuation of cash conservation, ongoing s

Effective January 16, 2017, the following RSU grants vested and shares were issued to our executive officers: Mr. Hansen

2018 Stay Incentive Agreements In December 2017, with the continuation of cash conservation, ongoing s

Effective with the execution of Stay Incentive Agreements on January 16, 2018 the following RSU grants were mad

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Name	2018 Approved Base Salary Reductions ($)	2018 Annual Base Salary ($)	2018 Reduced Annual Base Salary ($)	2017 Stay Incentive RSU Grant	2018 Stay Incentive RSU Grant
Bruce D. Hansen	(25)%	$ 550,000	$ 412,500	360,000	500,000
Robert I. Pennington	(20)%	297,000	237.600	300,000	400,00
R. Scott Roswell	(4)%	265,750	255,000	240,000	320,000
Amanda J. Corrion	(0)%	155,000	155,000	20,000	120,000

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. Messrs. Hansen and Roswell participated in 2017.

Employment/Change of Control Agreements

In order to attract and retain key executives, the Company has entered into employment agreements with each of its named executive officers. The current employment agreements for all of our executive officers provide for a term of one-year, subject to a one-year automatic renewal if not terminated earlier upon ninety (90) days notice. Generally, if a change of control occurs and the Company (or its successor) terminates the employment of the named executive officer 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, the executive is entitled to: (a) a lump sum payment of (i) two (2) times the executive s annual base compensation (not subject to salary reduction program), (ii) 100% of the executive s target annual incentive award for one year, and (iii) as to Mr. Hansen, his cash incentive award for major financing, if it had 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.

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.

SUMMARY COMPENSATION TABLE

The following table lists the annual compensation information for the fiscal years 2017, 2016, and 2015 of our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Legal Officer and Principal Accounting Officer.

Name and Principal Position	Year	Salary ($)	Non-Equity Incentive Award (1) ($)	Stock Awards (2) ($)	Option /SAR Awards (2) ($)	All Other Compensation ($)	Total ($)
Bruce D. Hansen (3)	2017	$ 412,500	$	$ 108,000	$	$ 19,051(3)	$ 539,551
Chief Executive Officer and	2016	412,500	415,500	21,600		19,051(3)	865,551
Chief Financial Officer	2015	550,000		184,665		19,051(3)	753,716
Lee M. Shumway (4)*	2017	88,083				6,563(7)	94,646
Former Chief Financial Officer	2016	234,388		14,400		14,027(7)	262,815
	2015	234,350	117,175	78,684		15,058(7)	445,267
Robert I. Pennington (5)	2017	237,600		90,000		15,524(5)	343,124
Chief Operating Officer	2016	237,600		18,000		15,912(5)	271,512
	2015	297,000	148,500	99,719		16,611(5)	561,830
R. Scott Roswell (6)	2017	225,888		72,000		10,122(6)	308,010
Chief Legal Officer	2016	225,888		14,400		13,699(6)	253,987
	2015	250,700	125,350	84,174		14,695(6)	474,919
Amanda J. Corrion (7)	2017	155,000		6,000		8,567(7)	169,567
Controller and Principal Accounting Officer							

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* Mr. Shumway departed from the Company effective May 12, 2017

** Ms. Corrion was named Principal Accounting Officer effective with Mr. Shumway s departure.

(1) No incentive award was approved for 2015, 2016 or 2017, based on the Company s cost reduction program. Under the Company s cash conservation program, cash retention awards were paid to each of the named executive officers on January 15, 2015, with the exception of Mr. Hansen, who deferred payment of his bonus to 2016.

(2) These amounts do not represent the actual amounts paid to or realized by these individuals. These amounts represent the aggregate grant date fair value for grants during the fiscal year, computed in accordance with applicable accounting rules (FASB ASC Topic 718), excluding the amount of estimated forfeitures. For information regarding the assumptions used to calculate the grant date fair value, see Note 9 to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2017. The grant date fair value for restricted stock units granted on January 16, 2015, is $0.47 per share. The grant date fair value for restricted stock units granted on January 16, 2016, is $0.18 per share. The grant date fair value for restricted stock units granted on January 16, 2017, is $0.30 per share.

(3) The All Other Compensation amount for Mr. Hansen for 2017 represents $12,750 in Company matching contributions to our 401(k) plan and $6,301 in group term life insurance premiums paid by the Company. The All Other Compensation amount for Mr. Hansen for 2016 represents $12,750 in Company matching contributions to our 401(k) plan and $6,301 in group term life insurance premiums paid by the Company. The All Other Compensation amount for Mr. Hansen for 2015 represents $12,750 in Company matching contributions to our 401(k) plan and $6,301 in group term life insurance premiums paid by the Company.

(4) The All Other Compensation amount for Mr. Shumway for 2017 represents $5,548 in Company matching contributions to our 401(k) plan and $1,015 in group term life insurance premiums paid by the Company. The All Other Compensation amount for Mr. Shumway for 2016 represents $11,719 in Company matching contributions to our 401(k) plan and $2,308 in group term life insurance premiums paid by the Company. The All Other Compensation amount for Mr. Shumway for 2015 represents $12,750 in Company matching contributions to our 401(k) plan and $2,308 in group term life insurance premiums paid by the Company.

(5) The All Other Compensation amount for Mr. Pennington for 2017 represents $11,663 in Company matching contributions to our 401(k) plan and $3,861 in group term life insurance premiums paid by the Company. The All Other Compensation amount for Mr. Pennington for 2016 represents $12,051 in Company matching contributions to our 401(k) plan and $3,861 in group term life insurance premiums paid by the Company. The All Other Compensation amount for Mr. Pennington for 2015 represents $12,750 in Company matching contributions to our 401(k) plan and $3,861 in group term life insurance premiums paid by the Company.

(6) The All Other Compensation amount for Mr. Roswell for 2017 represents $7,753 in Company matching contributions to our 401(k) plan and $2,369 in group term life insurance premiums paid by the Company. The all other compensation amount for Mr. Roswell for 2016 represents $11,366 in company matching contributions to our 401(k) plan and $2,333 in group term life insurance premiums paid by the Company. The all other compensation amount for Mr. Roswell for 2015 represents $12,362 in company matching contributions to our 401(k) plan and $2,333 in group term life insurance premiums paid by the company.

(7) The All Other Compensation amount for Ms. Corrion for 2017 represents $7,589 in Company matching contributions to our 401(k) plan and $978 in group term life insurance premiums paid by the Company.

GRANTS OF PLAN-BASED AWARDS

In 2017, we made stay incentive RSU grants to each of our named executive officers. Historically, we have issued stock options, stock appreciation rights, restricted stock and restricted stock unit awards to our executive officers and key employees as part of our compensation plans under our equity incentive plans. See Equity Compensation Plan Information. The purpose of the 2006 Plan is to provide us with a greater ability to attract, retain, and motivate our officers, directors and key employees. In 2017, in keeping with our cash conservation efforts, we used the 2006 Plan to provide stay incentive RSU grants on January 16, 2017, as outlined below, and to other senior managers of the Company.

Name	Restricted Stock Units Awarded (#)	Market Value at Grant ($)
Bruce D. Hansen	360,000	$ 108,000
Lee M. Shumway		
Robert I. Pennington	300,000	90,000
R. Scott Roswell	240,000	72,000
Amanda J. Corrion*	20,000	6,000

*Ms. Corrion was named Principal Accounting Officer on May 12, 2017, following the departure of Lee Shumway, our then CFO.

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Our 2006 Plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock units and stock appreciation rights, which may be granted to our employees (including officers), directors and consultants. Each award is subject to an agreement between the Company and the recipient of the grant reflecting the terms and conditions of the award. Subject to the terms of the 2006 Plan, the Compensation Committee establishes grant dates, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting. The Compensation Committee, in accordance with the 2006 Plan, sets the option exercise price, and, if applicable, the strike price for stock appreciation rights, in each case based on the closing price of the Company s common stock on the date of the grant.

Compensation Arrangements and Employment Agreements

The material terms of our NEOs annual compensation, including base salaries, cash incentive awards, our equity granting practices and employment, change in control and stay bonus agreements are described in our Compensation Discussion and Analysis Elements of Compensation and 2017 Compensation Decisions Stay Agreements and Employment Agreements and Stay Agreements sections of this proxy statement.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2017

The following table provides information with respect to outstanding stock options/SARs, restricted stock awards and restricted stock units held by our named executive officers as of December 31, 2017.

	OPTION AWARDS					STOCK AWARDS			
Name	**Number of Securities Underlying Unexercised Options/SARs (1) (#) Exercisable**	**Number of Securities Underlying Unexercised Options/SARs (1) (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options/SARs (1) (#)**	**Option /SAR Exercise Price (2) ($)**	**Option /SAR Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (1) (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Bruce D. Hansen			90,000(3)	5.49	10/17/2025				
								30,000(3)	9,900
			140,000(4)	3.28	10/17/2025				
								50,000(4)	16,500
			56,003(5)	3.72	10/17/2025				
			56,004(6)	3.72	10/17/2026				
								18,481(5)	6,099
								18,481(6)	6,099
			56,003(7)	3.72	10/17/2025				
			56,004(8)	3.72	10/17/2026				
								18,481(7)	6,099

				18,481(8)	6,099
				360,000(9)	118,800
Robert I. Pennington	40,000(3)	5.49	10/17/2025	13,500(3)	4,455
	60,000(4)	3.28	10/17/2025		
				22,000(4)	7,260
	28,002(5)	3.72	10/17/2025		
	28,002(6)	3.72	10/17/2026		
				9,240(5)	3,049
				9,241(6)	3,049
	28,002(7)	3.72	10/17/2025		
	28,002(8)	3.72	10/17/2026		
				9,240(7)	3,049
				9,241(8)	3,049
				300,000(9)	99,000
				145,000(10)	47,850
R. Scott Roswell	27,000(3)	5.49	10/17/2025	9,000(3)	2,970
	43,000(4)	3.28	10/17/2025		
				14,000(4)	4,620
	20,365(5)	3.72	10/17/2025		
	20,365(6)	3.72	10/17/2026		
				6,720(5)	2,218
				6,721(6)	2,218

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	OPTION AWARDS					STOCK AWARDS			
Name	**Number of Securities Underlying Unexercised Options/SARs (1) (#) Exercisable**	**Number of Securities Underlying Unexercised Options/SARs (1) (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options/SARs (1) (#)**	**Option /SAR Exercise Price (2) ($)**	**Option /SAR Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (1) (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
			20,365(7)	3.72	10/17/2025				
			20,365(8)	3.72	10/17/2026				
								6,720(7)	2,218
								6,721(8)	2,218
								240,000(9)	79,200
Amanda J. Corrion	849(11)			4.22	5/13/2018				
	944(12)			3.72	12/12/2018				
	1,286(13)			3.28	12/16/2018				
	773(14)			5.49	12/16/2018				
	944(15)			1.15	12/11/2019				
	945(12)			3.72	12/12/2019				
	1,286(13)			3.28	12/16/2019				
	945(15)			1.15	12/11/2020				
	945(12)			3.72	12/12/2020				
	945(15)			1.15	12/16/2021				
								20,000(9)	6,600

(1) All of the awards were made under the 2006 Plan.

(2) The option/SAR exercise price is the closing market price of the stock on the day of the grant.

(3) Performance SARs and restricted stock units were granted on December 16, 2010 and are scheduled to vest at the commencement of commercial production at the Mt. Hope Mine, subject to continuous employment. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved. The SARs expire on the earliest of termination of service, the 5th anniversary of the vesting date, the 10th anniversary of the date of grant, or in the event of a change in control.

(4) Performance SARs and restricted stock units were granted on December 15, 2011 and are scheduled to vest at the commencement of commercial production at the Mt. Hope Mine, subject to continuous employment. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved. The SARs expire on the earliest of termination of service, the 5th anniversary of the vesting date, the 10th anniversary of the date of grant, or in the event of a change in control.

(5) Performance SARs and restricted stock units were granted on December 12, 2012 and are scheduled to vest at the commencement of commercial production at the Mt. Hope Mine, subject to continuous employment. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved. The SARs expire on the earliest of termination of service, the 5th anniversary of the vesting date, the 10th anniversary of the date of grant, or in the event of a change in control.

(6) Performance SARs and restricted stock units were granted on December 12, 2012 and are scheduled to vest one year following the commencement of commercial production at the Mt. Hope Mine, subject to continuous employment. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved. The SARs expire on the earliest of termination of service, the 5th anniversary of the vesting date, the 10th anniversary of the date of grant, or in the event of a change in control.

(7) Performance SARs and restricted stock units were granted on December 11, 2013 and are scheduled to vest at the commencement of commercial production at the Mt. Hope Mine, subject to continuous employment. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved. The SARs expire on the earliest of termination of service, the 5th anniversary of the vesting date, the 10th anniversary of the date of grant, or in the event of a change in control.

(8) Performance SARs and restricted stock units were granted on December 11, 2013 and are scheduled to vest one year following the commencement of commercial production at the Mt. Hope Mine, subject to continuous employment. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved. The SARs expire on the earliest of termination of service, the 5th anniversary of the vesting date, the 10th anniversary of the date of grant, or in the event of a change in control.

(9) Performance restricted stock units were granted on January 16, 2015 and vested on January 15, 2016. The market value of the restricted stock units was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33 by the number of shares granted, which assumes that all performance goals for the shares are achieved.

(10) An award of 165,000 shares of restricted stock was granted on October 19, 2007. During 2008, 10,000 shares of restricted stock vested upon satisfaction of the engineering and procurement phase 1 goal. During 2009, 10,000 shares of restricted stock vested upon satisfaction of the engineering and procurement phase 2 goals. The remaining shares are scheduled to vest based upon the achievement of designated performance goals. In addition, 30,000 shares will vest upon attainment of the construction completion goal, 30,000 shares will vest upon satisfying the cost of contracted construction goal, 35,000 shares (17,500 each) will vest upon satisfying the commissioning phase 1 and phase 2 goals and the remaining 50,000 shares will vest based upon satisfying the specified production goal within six months of initial start-up. The Company may adjust the timing of completion of the goals to accommodate changes in the schedule as a result of environmental permitting or financial considerations. The market value of the stock award was determined by multiplying the closing market price of a share of our common stock on December 30, 2017 of $0.33by 145,000 shares, which assumes that all performance goals for the shares are achieved.

(11) SARs were granted on May 13, 2010 and vested on May 13, 2013.

(12) SARs were granted on December 12, 2012 with 944 vested on December 12, 2013, 945 on December 12, 2014 and 945 on December 12, 2015.

(13) SARs were granted on December 15, 2011 with 1,286 vested on December 15, 2013 and 1,286 on December 15, 2014.

(14) SARs were granted on December 16, 2010 with 1,286 vested on December 16, 2013.

(15) SARs were granted on December 11, 2013 with 944 vested on December 11, 2014, 945 on December 11, 2015 and 945 on December 11, 2016.

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OPTION/SAR EXERCISES AND STOCK VESTED DURING 2017

	OPTION/SAR AWARDS		STOCK AWARDS	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (1) ($)
Bruce D. Hansen			120,000	$ 36,000
Lee M. Shumway			80,000	24,000
Robert I. Pennington			100,000	30,000
R. Scott Roswell			80,000	24,000
Amanda J. Corrion				

(1) Amount reported represents the closing price of our common stock, as reported on the NYSE American, on each vesting date, multiplied by the number of shares vested.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Potential payments upon termination or change in control for Mr. Hansen, Mr. Shumway, Mr. Pennington, Mr. Roswell and Ms. Corrion are set forth in their respective employment agreements, described below. Mr. Shumway departed the Company on May 12, 2017, and effective that date, Ms. Corrion was named Principal Accounting Officer, and Mr. Hansen assumed the additional responsibilities of Chief Financial Officer.

In the event of a change in control as defined in our 2006 Plan, all outstanding options and other stock awards under the plans may be assumed, continued or substituted by any surviving or acquiring entity. If the surviving or acquiring entity elects not to assume, continue or substitute the awards, the vesting of such awards held by award holders whose service with us or any of our affiliates has not terminated will be accelerated, the awards will be fully vested and exercisable immediately prior to the consummation of the transaction and the stock awards will automatically terminate upon consummation of the transaction if not exercised prior to such event.

Employment Agreements and Stay Agreements

The following is a summary of the employment agreements that were in effect between us and each of our named executive officers during the last fiscal year.

Bruce D. Hansen. On January 30, 2007, we entered into an employment agreement with Mr. Hansen to serve as our Chief Executive Officer for a term of three years. Mr. Hansen s agreement was subsequently amended and restated effective January 1, 2012, to extend the term of the agreement 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. Effective January 1, 2016 the employment agreement of Mr. Hansen was amended and restated to provide for a term of one-year, subject to an automatic one-year renewal if not terminated earlier upon ninety (90) days notice. The following is a description of the terms of his agreement, as in effect on December 31, 2016.

Under the terms of the agreement, as amended, Mr. Hansen s base salary is $550,000, which was temporarily reduced to $412,500 in September 2013 and re-instated effective January 16, 2015 and was again reduced to $412,500 in January 2016 and continued to be reduced through 2016, 2017 and into 2018, as discussed in the next paragraph. Mr. Hansen is eligible to receive a discretionary cash incentive payment in an amount, if any, as determined by the Board from time to time. Upon the completion of an equity or debt financing that raises sufficient capital to commence production at the Mt. Hope Project, Mr. Hansen remains entitled to a cash payment of $1,000,000. If a change of control occurs and the Company (or its successor) terminates the employment of Mr. Hansen without cause during the one-year period following the close of the change of control event (a double-trigger arrangement) or Mr. Hansen terminates his employment for good reason, which includes a material diminution of his duties or compensation, geographic relocation; a direction to violate local, state or federal law; or a failure of the Company to pay base compensation in a timely manner, Mr. Hansen would be entitled to receive a payment equal to two years of annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction), one year target annual incentive compensation, and full vesting of all outstanding unvested stock-based equity awards, if not otherwise accelerated under the provisions of a change of control in the Company s Equity Incentive Plan. In addition, he will be paid the cash incentive award of $1,000,000 for major financing if it has not previously been paid. In the event the Company terminates Mr. Hansen s employment without cause, independent of a change of control , Mr. Hansen would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of his annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction). If Mr. Hansen terminates his employment for good reason as described

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above, independent of a change of control , Mr. Hansen would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of his annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction). Each of the described severance payments is subject to execution of a binding termination release and confidentiality, non-competition, and non-solicitation covenants.

On September 7, 2013 we entered into a Salary Reduction and Stay Incentive Agreement (Stay Agreement) with Mr. Hansen. With the Stay Agreement, Mr. Hansen and the Company agreed to reduce Mr. Hansen s base salary to $412,500 for the term of the Stay Agreement, and provided for a Stay Incentive Award of $412,500 and a Restricted Stock Unit (RSU) award of 245,536 RSUs if Mr. Hansen remains continuously employed through the End Date, as defined therein. The Stay Agreement provided that it would end on the earliest to occur of a financing plan for the Mt. Hope Project approved by the Board of Directors; a Change of Control (as defined in Mr. Hansen s employment agreement; involuntary termination (absent cause); or January 15, 2015. On January 16, 2015, we entered into a First Amendment to Salary Reduction and Stay Incentive Agreement with Mr. Hansen, effective as of January 14, 2015. Pursuant to this amendment, the Company agreed to grant 392,904 RSUs to Mr. Hansen, in consideration for Mr. Hansen s agreement to extend the payment of his $412,500 2014 cash incentive bonus under his Stay Agreement to January 16, 2016. These awards vested and were paid to Mr. Hansen on January 15, 2016. Effective January 16, 2016, we agreed to grant Mr. Hansen 120,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2016 through January 15, 2017. These awards vested and were issued to Mr. Hansen on January 16, 2017. Effective January 16, 2017, we agreed to grant Mr. Hansen 360,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2017 through January 16, 2018. These awards vested and were issued to Mr. Hansen on January 16, 2018. Lastly, effective January 16, 2018, we agreed to grant Mr. Hansen 500,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2018 through January 16, 2019.

Lee M. Shumway. On November 6, 2007, we entered into an offer letter agreement with Lee M. Shumway pursuant to which Mr. Shumway initially served as the Director of Business Process/Information Technology. Mr. Shumway served as our Controller and Treasurer in 2015, and was promoted to Chief Financial Officer effective October 16, 2015. On January 1, 2012, we entered into a Change of Control Severance, Confidentiality and Non-Solicitation Agreement with Mr. Shumway, which included the same definition of change of control as the agreements for Messrs. Hansen, Pennington and Roswell. In December 2015, we approved the promotion of Mr. Shumway to CFO, and authorized a 2016 salary increase to $275,750, associated with the retirement of our former CFO David Chaput, which consistent with similar treatment of our other named executive officers was then subject to a salary reduction of 15% to $234,350, which continued through 2016 and is continuing into 2017. On January 16, 2016 we entered in Employment Agreement and with its effectiveness terminated the Change of Control Severance, Confidentiality and Non-Solicitation Agreement. Consistent with the other named executive officers, the January 16, 2016 Employment Agreement of Mr. Shumway provides for a term of one-year, subject to an automatic one-year renewal if not terminated earlier upon ninety (90) days notice. Mr. Shumway voluntarily resigned from the Company effective May 12, 2017.

Robert I. Pennington. On October 5, 2007, we entered into an offer letter agreement with Robert I. Pennington pursuant to which Mr. Pennington served as our Vice President of Engineering and Construction and was named our Chief Operating Officer in January 2012. Pursuant to the terms of this agreement, as amended, Mr. Pennington was paid a base salary of $200,000 per year in 2007, plus eligibility for a performance based annual incentive award. Mr. Pennington s base salary was subsequently increased to $297,000, which was temporarily reduced to $237,600 in September 2013 and re-instated effective January 16, 2015 as discussed in the next paragraph. Mr. Pennington received an option to purchase 150,000 shares of common stock under the 2006 Plan, all of which are fully vested. In addition, Mr. Pennington is also eligible to receive up to 165,000 shares of restricted common stock upon reaching certain pre-determined goals relating to the Mt. Hope Project, of which 20,000 shares have vested and been issued to Mr. Pennington. In January 2012, we entered into a Change of Control Severance, Confidentiality and Non-Solicitation Agreement, which was superseded by an Employment Agreement entered into with Mr. Pennington effective December 12, 2012 to which the term of the agreement will 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, 2016. Effective January 1, 2016 the employment agreement of Mr. Pennington was amended and restated to provide for a term of one-year, subject to an automatic one-year renewal if not terminated earlier upon ninety (90) days notice. The following is a description of the terms of his agreement, as in effect on December 31, 2017.

Under the terms of the agreement, as amended, Mr. Pennington s base salary is $297,000, which was temporarily reduced to $237,600 in September 2013 and re-instated effective January 16, 2015 and was again reduced to $237,600 in January 2016 and continued to be reduced through 2016, 2017 and into 2018, as discussed in the next paragraph. Mr. Pennington is eligible to receive a discretionary cash incentive payment in an amount, if any, as determined by the Board from time to time. If a change of control occurs and the Company (or its successor) terminates the employment of Mr. Pennington without cause during the one-year period following the close of the change of control event (a double-trigger arrangement) or Mr. Pennington terminates his employment for good reason, which includes a material diminution of his duties or compensation, geographic relocation; a direction to violate local, state or federal law; or a failure of the Company to pay base compensation in a timely manner, Mr. Pennington would be entitled to receive a payment equal to two years of annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction), one year target annual incentive compensation, and full vesting of all outstanding unvested stock-based equity awards, if not otherwise accelerated under the provisions of a change of control in the Company s Equity

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Incentive Plan. In the event the Company terminates Mr. Pennington s employment without cause, independent of a change of control , Mr. Pennington would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of his annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction). If Mr. Pennington terminates his employment for good reason as described above, independent of a change of control , Mr. Pennington would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of his annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction). Each of the described severance payments is subject to execution of a binding termination release and confidentiality, non-competition, and non-solicitation covenants.

On September 7, 2013 we entered into a Salary Reduction and Stay Incentive Agreement (Stay Agreement) with Mr. Pennington. With the Stay Agreement, Mr. Pennington and the Company agreed to reduce Mr. Pennington s base salary to $237,600 for the term of the Stay Agreement, and provided for a Stay Incentive Award of $148,500 and a Restricted Stock Unit (RSU) award of 88,393 RSUs if Mr. Pennington remained continuously employed through the End Date, as defined therein. The Stay Agreement provided that it would end on the earliest to occur of a financing plan for the Mt. Hope Project approved by the Board of Directors; a Change of Control (as defined in Mr. Pennington s employment agreement; involuntary termination (absent cause); or January 15, 2015. These awards vested and were paid to Mr. Pennington on January 15, 2015. Effective January 14, 2015, we agreed to grant Mr. Pennington 212,168 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2015 through January 15, 2016. These awards vested and were awarded to Mr. Pennington on January 15, 2016. Effective January 16, 2016, we agreed to grant Mr. Pennington 100,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2016 through January 15, 2017. These awards vested and were issued to Mr. Pennington on January 15, 2017. Effective January 16, 2017, we agreed to grant Mr. Pennington 300,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2017 through January 16, 2018. These awards vested and were issued to Mr. Pennington on January 16, 2018. Lastly, effective January 16, 2018, we agreed to grant Mr. Pennington 400,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2018 through January 16, 2019.

R. Scott Roswell. On August 17, 2010, we entered into an offer letter agreement with R. Scott Roswell pursuant to which Mr. Roswell served as our Corporate Counsel and Vice President of Human Resources and was named our Chief Legal Officer in October 2015. On January 1, 2012, we entered into a Change of Control Severance, Confidentiality and Non-Solicitation Agreement with Mr. Roswell, which included the same definition of change of control as the agreements for Messrs. Hansen, Pennington and Shumway. In December 2015, we approved a 2016 salary increase for Mr. Roswell to $265,750 inclusive of his additional responsibilities associated with the resignation of our former Director of Investor Relations, which consistent with similar treatment of our other named executive officers was then subject to a salary reduction of 15% to $225,888, which continued through 2016 and is continuing into 2017. On January 16, 2016 we entered in Employment Agreement, and with its effectiveness, terminated the Change of Control Severance, Confidentiality and Non-Solicitation Agreement. Consistent with the other named executive officers, the January 16, 2016 Employment Agreement of Mr. Roswell provides for a term of one-year, subject to an automatic one-year renewal if not terminated earlier upon ninety (90) days notice. The following is a description of the terms of his agreement, as in effect on December 31, 2016.

Under the terms of the agreement, as amended, Mr. Roswell s base salary is $265,750, which as discussed above was temporarily reduced to $225,888 in January 2016 and continued to be reduced through 2016 and into 2017, as discussed in the next paragraph. Effective January 16, 2018, Mr. Roswell s salary reduction percentage was reduced from 15% to 4% and his temporary reduced annual salary for 2018 is $255,000. Mr. Roswell is eligible to receive a discretionary cash incentive payment in an amount, if any, as determined by the Board from time to time. If a change of control occurs and the Company (or its successor) terminates the employment of Mr. Roswell without cause during the one-year period following the close of the change of control event (a double-trigger arrangement) or Mr. Roswell terminates his employment for good reason, which includes a material diminution of his duties or compensation, geographic relocation; a direction to violate local, state or federal law; or a failure of the Company to pay base compensation in a timely manner, Mr. Roswell would be entitled to receive a payment equal to two years of annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction), one year target annual incentive compensation, and full vesting of all outstanding unvested stock-based equity awards, if not otherwise accelerated under the provisions of a change of control in the Company s Equity Incentive Plan. In the event the Company terminates Mr. Roswell s employment without cause, independent of a change of control , Mr. Roswell would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of his annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction). If Mr. Roswell terminates his employment for good reason as described above, independent of a change of control , Mr. Roswell would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of his annual base salary (determined by applying his base salary immediately preceding the implementation of the salary reduction). Each of the described severance payments is subject to execution of a binding termination release and confidentiality, non-competition, and non-solicitation covenants.

On September 7, 2013 we entered into a Stay Incentive Agreement with Mr. Roswell. With the Agreement, Mr. Roswell and the Company agreed to provide a Stay Incentive Award of $125,350 and Restricted Stock Unit (RSU) Award of 74,613 RSUs if Mr. Roswell remained continuously employed through the End Date, as defined therein. The Stay Agreement provided that it would end on the earliest to occur of a financing plan for the Mt. Hope Project approved by the Board of Directors, a Change of Control (as defined in Mr. Roswell s Change of Control, Severance, Confidentiality and Non-Solicitation Agreement; involuntary termination

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(absent cause); or January 15, 2015. These awards vested and were paid to Mr. Roswell on January 15, 2015. Effective January 14, 2015, we agreed to grant Mr. Roswell 179,093 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2015 through January 16, 2016. These awards vested and were paid to Mr. Roswell on January 15, 2016. Effective January 16, 2016, we agreed to grant Mr. Roswell 80,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2016 through January 16, 2017. These awards vested and were issued to Mr. Roswell on January 15, 2017. Effective January 16, 2017, we agreed to grant Mr. Roswell 240,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2017 through January 16, 2018. These awards vested and were issued to Mr. Roswell on January 16, 2018. Lastly, effective January 16, 2018, we agreed to grant Mr. Roswell 320,000 RSUs, subject to his execution of a new Stay Incentive Agreement covering the period from January 16, 2018 through January 16, 2019.

Amanda J. Corrion. On May 12, 2017 we entered into Employment Agreement with Amanda J. Corrion pursuant to which Ms. Corrion serves as our Principal Accounting Officer. Consistent with the other named executive officers, the May 12, 2017 Employment Agreement of Ms. Corrion provides for a term of one-year, subject to an automatic one-year renewal if not terminated earlier upon ninety (90) days notice. The following is a description of the terms of her agreement, as in effect on December 31, 2017.

Under the terms of the agreement, Ms. Corrion s base salary is $155,000. Ms. Corrion s salary is not subject to the temporary salary reduction program concerning our other executive officers, but her salary did not change in connection with her appointment as Principal Accounting Officer. Ms. Corrion is eligible to receive a discretionary cash incentive payment in an amount, if any, as determined by the Board from time to time. If a change of control occurs and the Company (or its successor) terminates the employment of Ms. Corrion without cause during the one-year period following the close of the change of control event (a double-trigger arrangement) or Ms. Corrion terminates her employment for good reason, which includes a material diminution of her duties or compensation, geographic relocation; a direction to violate local, state or federal law; or a failure of the Company to pay base compensation in a timely manner, Ms. Corrion would be entitled to receive a payment equal to two years of annual base salary (determined by applying her base salary immediately preceding the implementation of the salary reduction), one year target annual incentive compensation, and full vesting of all outstanding unvested stock-based equity awards, if not otherwise accelerated under the provisions of a change of control in the Company s Equity Incentive Plan. In the event the Company terminates Ms. Corrion s employment without cause, independent of a change of control , Ms. Corrion would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of her annual base salary (determined by applying her base salary immediately preceding the implementation of the salary reduction). If Ms. Corrion terminates her employment for good reason as described above, independent of a change of control , Ms. Corrion would be entitled to any base salary earned but not yet paid and a severance payment in an amount equal to six (6) months of her annual base salary (determined by applying her base salary immediately preceding the implementation of the salary reduction). Each of the described severance payments is subject to execution of a binding termination release and confidentiality, non-competition, and non-solicitation covenants.

On January 16, 2017, we agreed to grant Ms. Corrion in her capacity as a member of the Company s senior management as corporate controller, and not an executive officer, 20,000 RSUs, subject to her execution of a Stay Incentive Agreement covering the period from January 16, 2017 through January 16, 2018. This award remained in place and continued after Ms. Corrion was named an executive officer as Principal Accounting Officer on May 12, 2017, following the resignation of Lee M. Shumway, CFO. These awards vested and were issued to Mr. Corrion on January 16, 2018. Effective January 16, 2018, we agreed to grant Ms. Corrion 120,000 RSUs, subject to her execution of a new Stay Incentive Agreement covering the period from January 16, 2018 through January 16, 2019.

Change of Control Employment Agreements

Generally, for purposes of the executive employment agreements, a change of control occurs if:

- Any single holder (or group acting in concert) acquires ownership of 50% or more of the outstanding common stock or combined voting power of the Company (under the present capitalization, outstanding stock and voting power is the same). The following acquisitions are excluded: (a) acquisition of shares from the Company; and (b) acquisition of shares by the Company or by any employee benefit plan sponsored by the Company; or

- There is a business combination (a merger, reorganization, etc.) involving the Company and another company unless substantially all of the holders who owned shares of the Company before the combination own more than half of the shares of the company resulting from the combination in substantially the proportion that they owned our shares and no one (including a group acting in concert) owns more than one-half of the resulting company. In other words, generally, if we merged with another company and our stockholders owned more than one-half of the resulting company there would not be a change of control. If they owned less than 50%, a change of control would have occurred; or

- The current (incumbent) members of the Company s Board no longer constitute at least a majority of the Board; provided, however, that an individual that becomes a director whose election or nomination was approved by at least a majority of the directors serving on the incumbent Board is considered as though such individual was a member of the incumbent Board

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unless the individual assumed the office as a result of an actual or threatened election contest or solicitation of proxies or consents on the person s behalf; or

- All or substantially all of our operating assets are sold to an unrelated party; or

- Our stockholders approve a liquidation or dissolution of the Company.

2006 Equity Incentive Plan

In general, under the terms of the 2006 Equity Incentive Plan, in the event of a change in control (as defined in each of the plans), outstanding awards will either be assumed or substituted by the surviving corporation or automatically become fully vested and exercisable for a limited period of time.

Severance and Change in Control Payments

The following is a summary of potential payments payable to our named executive officers upon termination of employment or a change in control of the Company under each circumstance assuming the event occurred on December 31, 2017. Actual payments would be paid in a lump sum and may be more or less than the amounts described below. In addition, the Company may enter into new arrangements or modify these arrangements, from time to time, as was done in January 2018.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL ON DECEMBER 31, 2017

The following are estimated payments that would be provided to each of our named executive officers in the event of termination of the named executive officer s employment assuming a termination date of December 31, 2017.

Name	Base Salary ($)	Incentive Award ($)	Value of Accelerated Vesting of Equity Awards (1) ($)
Bruce D. Hansen (2)			
Termination without cause or for good reason as a result of a change of control	$ 1,100,000	$ 1,412,500	$ 169,595
Termination without cause unrelated to change of control	275,000		
Lee M. Shumway			

Voluntary Resignation	87,895		
Robert I. Pennington (3)			
Termination without cause or for good reason as a result of a change of control	594,000	148,500	170,762
Termination without cause unrelated to change of control	148,500		
R. Scott Roswell (3)			
Termination without cause or for good reason as a result of a change of control	501,400	125,350	95,661
Termination without cause unrelated to change of control	125,350		
Amanda J. Corrion (3)			
Termination without cause or for good reason as a result of a change of control	310,000	77,500	6,600
Termination without cause unrelated to change of control	$ 77,500	$	$

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(1) Amounts are based upon our closing stock price of $0.33 per share on December 31, 2017. Amount includes the value of accelerated vesting of stock awards; accelerated vesting of SARs and accelerated vesting of stock options, to the extent the option exercise price exceeded the closing stock price of our common stock on December 31, 2017. The amounts do not include potential exercise of vested stock options. See the Outstanding Equity Awards at December 31, 2017 table for information regarding vested stock options.

(2) Includes a change of control payment equal to two times his base salary, 100% of his annual target incentive payment, and payment of his $1,000,000 major financing award to the extent not already paid. In the event of his termination without cause he is entitled to a payment equal to two times his base salary. In the event of his termination for good reason he is entitled to a payment equal to one times his base salary.

(3) In the event of his termination without cause as a result of a change of control, or one year following the closing of the change of control, or election of termination for good reason he is entitled to two years of his base salary, 100% of his annual target incentive payment, and vesting of all of his outstanding stock awards.

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EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2017 with respect to the shares of our common stock that may be issued under our equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights (a)	Weighted Average Exercise Price of Outstanding Options and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(c)
Equity compensation plans approved by security holders	995,983	$ 3.20	5,062,266(1)
Total	995,983	$ 3.20	5,062,266

(1) The aggregate number of shares of common stock that may be issued pursuant to awards granted under the 2006 Equity Incentive Plan cannot exceed 14,600,000, discussed above. Awards under the 2006 Plan may include incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units and stock appreciation rights.

DIRECTOR COMPENSATION

The following table lists compensation information for fiscal 2017 for our directors and our secretary who were not employees. Mr. Hansen, who is also our Chief Executive Officer/Chief Financial Officer, does not receive any separate compensation for his service as a director. Mr. Hansen s compensation is fully reflected in the Summary Compensation Table and, as appropriate, in the other tables above.

On the recommendation of the Compensation Committee, at its June 16, 2011 meeting the Board approved guidelines for share ownership for directors. The current guideline amount is equal to a multiplier of four times each director s individual retainer from the Company. The Board also set a target of five years for each director to reach his/her ownership guideline level. As of December 31, 2017, all non-employee Directors had reached their target ownership, except for Mr. Zhang who was appointed to the Board in December 2015. Effective September 7, 2013, we implemented a cost reduction and personnel retention program, which was maintained throughout 2016, 2017 and continues into 2018, which included reductions in base cash compensation for members of the Board of Directors, as well as our executive officers and senior management employees.

Columns required by SEC rules are omitted where there is no amount to report.

Name		Fees Earned or Paid in Cash ($)		Stock Awards(1) ($)		Total ($)
Ricardo M. Campoy	$	78,000	$	6,750	$	84,750
Mark A. Lettes		51,750		6,750		58,500
Gary A. Loving		41,250		6,750		48,000
Gregory P. Raih		48,000		6,750		54,750
Tong Zhang		33,750		6,750		40,500
Michael K. Branstetter (2)		15,000		2,700		17,700

(1) These amounts do not represent the actual amounts paid to or realized by these individuals. These amounts represent the aggregate grant date fair value for grants during the fiscal year, computed in accordance with applicable accounting rules (FASB ASC Topic 718), excluding the amount of estimated forfeitures. For information regarding the assumptions used to calculate the grant date fair value, see Note 9 to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2017. As of December 31, 2017, the aggregate number of shares of our common stock underlying outstanding option awards and the number of shares of restricted stock for each non-employee director and our secretary was zero.

(2) Michael K. Branstetter serves as our secretary.

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Director and Secretary Compensation Program

The following table describes the payments to be made by us under our director and secretary compensation program

Director	
Annual Retainer	$ 40,000 total paid quarterly in arrears*
Board Meeting Fee	$ 1,000 paid quarterly in arrears*
Audit Committee Chair	$ 10,000 total paid quarterly in arrears*
Other Committee Chairs	$ 5,000 total paid quarterly in arrears*
Board Chair Annual Retainer	$ 80,000 total paid quarterly in arrears (1)*
Committee Meeting Fee	$ 1,000 paid quarterly in arrears*
Sign-on Equity	20,000 shares (2)
Annual Equity	25,000 shares (3)
Resignation Equity	5,000 shares (4)

Secretary	
Annual Retainer	$20,000 total paid quarterly in arrears*
Annual Equity	10,000 shares (3)

*During 2017, all cash compensation for Directors remained reduced by 25% from the amounts listed above as part of our cash conservation program implemented in September 2013.

(1) Board Chair annual retainer is paid to the Board Chair in lieu of the annual retainer paid to other directors and is cash only.

(2) Represents the number of full-value, fully vested shares of common stock granted upon election to the Board.

(3) Represents the number of full-value, fully vested shares of common stock granted annually on the first business day after January 1. New directors receive a pro-rated grant, based upon the time of joining the Board (in addition to the Sign-on Equity award).

(4) Represents the number of full-value, fully vested shares granted upon approval by the Compensation Committee if a director is asked to resign.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

It is our policy to enter into or ratify related party transactions only when the Board, acting through the Audit Committee, determines that the related party transaction in question is in, or is not inconsistent with, the best interests of the Company and our stockholders.

Our Audit Committee reviews any transaction involving the Company and a related party (1) prior to the entry by the Company into such transaction, (2) at least once a year after the Company s entry into the transaction, and (3) upon any significant change in the transaction or relationship. If advance approval of a related party transaction is not feasible, then, pursuant to our recently amended related party transaction policy, the related party transaction is considered at the Audit Committee s next regularly scheduled meeting, and if the Audit Committee determines it to be appropriate, is ratified. For these purposes, a related party transaction includes any transaction required to be disclosed pursuant to Item 404 of Regulation S-K. In its review of any related party transactions, the Audit Committee will consider all of the relevant facts and circumstances available to the Audit Committee, including (if applicable): the benefits to the Company; the impact on a director s independence in the event the related person is a director, an immediate family member of a director or an entity in which a director is a partner, stockholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally.

Certain types of transactions are pre-approved in accordance with the terms of our recently amended related party transaction policy. These include, among other things, transactions in which rates or charges are determined by competitive bids or are fixed by law and certain charitable contributions by the Company.

AMER and Tong Zhang

On November 24, 2015, we entered into a Stockholder Agreement (the Stockholder Agreement) with AMER in connection with a Tranche 1 closing under an Investment and Securities Purchase Agreement, as amended November 2, 2015 (the Purchase Agreement) between us and AMER.

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Pursuant to the terms of the Stockholder Agreement, AMER is currently permitted to nominate one member to the Board, as well as additional directors following the completion of Tranche 3 closing under the Purchase Agreement, and drawdown of a senior secured loan, respectively. The Stockholder Agreement also governs AMER s acquisition and transfer of shares of the Company s common stock. As discussed earlier, AMER designated Mr. Zhang as its nominee for appointment to the Board, and at the December 2015 meeting of the Board, the Board appointed Mr. Zhang as a Class II member, subject to nomination and election by stockholders at the 2018 Annual Meeting.

In accordance with the Company s standard director compensation program, on January 4, 2016, Mr. Zhang was issued a sign-on equity grant of 20,000 fully vested shares of the Company s common stock, a prorated 2015 equity grant of 1,986 fully vested shares of the Company s common stock, and the 2016 annual equity grant of 25,000 fully vested shares of the Company s common stock. In 2017, Mr. Zhang received the annual cash retainer and Board and committee meeting fees as described above under Director Compensation.

ADDITIONAL STOCKHOLDER INFORMATION

Stockholder Proposals and Recommendations for Director Nominees for the 2019 Annual Meeting

We anticipate that we will hold our 2019 Annual Meeting of Stockholders within 30 days before or after June 21, 2019. If you wish to submit a proposal for inclusion in our proxy materials to be circulated in connection with our 2018 Annual Meeting of Stockholders, you must send the proposal to the Company at the address below. The proposal must be received no later than January 9, 2019 to be considered for inclusion in the Company s proxy statement and form of proxy for that meeting.

For stockholder proposals submitted outside of the process described above, the Company s bylaws require that advance written notice of a stockholder proposal for matters to be brought before an annual stockholders meeting be received by the Company not less than 90 days or more than 120 days before the first anniversary date of the immediately preceding annual stockholders meeting. Accordingly, notice of stockholders proposals for the 2019 Annual Meeting must be received by the Company between February 21, 2019 and March 23, 2019. In addition, among other requirements set forth in the SEC s proxy rules, you must have continuously held at least $2,000 in market value or 1% of our outstanding stock for at least one year by the date you submit the proposal, and you must continue to own such stock through the date of the meeting.

Stockholder proposals and recommendations for director nominees should be sent to General Moly, Inc. Board of Directors, c/o Corporate Secretary, 1726 Cole Blvd., Suite 115 Lakewood, Colorado 80401.

Householding

As permitted by applicable law, we intend to deliver only one copy of certain of our documents, including proxy statements, annual reports and information statements to stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies thereof. Any such request should be directed to General Moly, Inc. Board of Directors, c/o Corporate Secretary, 1726 Cole Blvd., Suite 115 Lakewood, Colorado 80401 or (303) 928-8599. Upon request, we will promptly deliver a separate copy. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their broker.

Annual Report

The Company s Annual Report on Form 10-K (excluding exhibits) for the year ended December 31, 2017 is being mailed to all stockholders with this proxy statement. Our Annual Report is part of the proxy solicitation materials for the Annual Meeting. An additional copy, including exhibits, will be furnished without charge to any stockholder by writing to the Corporate Secretary at the address above. The Company s Form 10-K may also be accessed at the Company s website at *www.generalmoly.com*, or at SEC s website at *www.sec.gov*.

Other Matters

As of the date of this proxy statement, the Board is not aware of any matters that will be presented for action at the Annual Meeting other than those described above. However, if other matters are properly brought before the Annual Meeting, the proxies will be voted on those matters at the discretion of the proxy holders.

By Order of the Board of Directors,

Bruce D. Hansen
Chief Executive Officer

Lakewood, Colorado
April 27, 2018