CIBC World Markets

Equity Research
Initiating Coverage

November 24, 2008

Metals & Minerals

Sector Weighting: Market Weight

Many Moly Development Projects Remain Unfinanced; Current Producers To Shine

Making The Most Of Mo

- Future molybdenum supply is closely tied to the ability of the current crop of junior miners to arrange financing for large-scale development projects. Many molybdenum projects are being pushed forward by poorly capitalized small- to mid-tier junior miners, and a number of new projects will fail.

- Molybdenum's unique physical and chemical properties limit substitution in many markets. Molybdenum demand in a number of sectors is price inelastic.

- Current price forecasts indicate that robust margins for current producers should continue. Prices, however, will likely remain on their downward trend in 2009.

- Several appealing acquisition opportunities should appear for cash-generating participants as the crop of junior companies struggles to secure necessary financing for project development.

All figures in Canadian dollars, unless otherwise stated.

Ian Parkinson
1 (416) 956-6169
ian.parkinson@cibc.ca

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Molybdenum Industry – Investment Thesis

The molybdenum (moly) price has retreated in recent weeks. Production curtailments have begun. Freeport McMoRan's (FCX–NYSE) Henderson mine has cut 10 million pounds (lb.) of production for 2009 and the Climax project has been delayed. We anticipate a difficult next 12 to 24 months for molybdenum project developers looking to raise capital to further projects and we foresee subsequent project delays. On the flip side, molybdenum demand is closely correlated to steel demand, which will likely remain weak for the next six to 12 months, and in all probability keep molybdenum prices in check in the short term. However, we fully anticipate an eventual return to moly demand growth of 4% year over year. We look to emerging end-uses to add some support to moly demand, specifically: 1) the oil and gas refining business as it uses molybdenum as a catalyst to reduce sulphur content in fuels; 2) the atomic energy generation sector as it uses moly as a protectant against high temperatures and corrosive environments; and, 3) the oil and gas pipeline construction business.

As of November 24, we are launching coverage of the molybdenum sector with a Market Weight rating and forecast a 2009 average moly oxide price of US$10/lb. In tandem, we are initiating coverage of: Thompson Creek Metals Company (TCM–TSX) with a Sector Outperformer rating and 12- to 18-month price target of $8.65 (our top pick within the sector); Mercator Minerals (ML–TSX) with a Sector Performer rating and 12- to 18-month price target of $1.20; and, General Moly (GMO–AMEX) with a Sector Performer rating and 12- to 18-month price target of US$1.95. All initiation dates are as of November 24.

Molybdenum Highlights

- Molybdenum's unique physical and chemical qualities translate into limited opportunities for its substitution by other metals and compounds. Unlike nickel and copper, few, if any, other metals can fill the demand for its unique properties.

- Long-term demand growth should remain robust at 4%–5% year over year, representing a need for 20 million new lb.–24 million new lb. of molybdenum production per year, equating to approximately a new Thompson Creek Mine each year.

- Molybdenum's unique physical qualities translate into demand from and leverage to the steel, atomic energy, oil and gas, and petrochemical refining sectors, all of which have strong long-term outlooks.

- The new molybdenum supply pipeline is strained by the current credit and equity crisis. Many quality projects are being developed by small- to mid-cap miners and are susceptible to delays or cancellations as potential funding becomes more difficult to source.

- Fewer prospects for opportunistic high-grading by copper/molybdenum mines are impacting supply as producers revert to longer-term mine plans.

- Cash-producing or very near-term cash-producing assets should be the first to rebound from the current dismal equity levels and, we believe, should be the focus of molybdenum investment decisions. At this time, such companies include our top pick in the sector, Thompson Creek Metals Company.

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Molybdenum 101: Background And Physical Qualities

Molybdenum's distinct physical characteristics render it a highly desired metal for specialty applications.

Historically, molybdenum was part of a group of metals described as molybdenumbdous, Greek for "lead like." It was first described as a distinct element by Carl William (Wilhelm) Scheele in 1778.

With a specific gravity of 10.25, a melting point of 2,623°C (the fifth-highest melting point of all elements) and a boiling point of 4,639°C, the metal is a key ingredient in the creation of strong anticorrosive steels. Compared to iron with a specific gravity of 7.89, a melting point of 1,538°C and a boiling point of 2,862ºC, molybdenum is higher on all counts. Along with a high melting temperature and an inherent toughness, molybdenum also has a very low thermal expansion co-efficient and a high strength-to-weight ratio.

Adding molybdenum to steel improves the strength, toughness and wear-resistance of the steel to levels not possible with non-molybdenum-alloyed steels. It is generally used in combination with other elements such as nickel to create steels with hot strength, corrosion resistance and toughness qualities.

Why Use Molybdenum?

Increased Hot Strength

Molybdenum increases the hot strength of alloys. Both steel and non-ferrous super-alloys benefit from the presence of molybdenum in their respective recipes or chemistries. In some extremely high-temperature aerospace applications, semi-pure or pure molybdenum metal is used instead of steel.

Increased Corrosion Resistance

Molybdenum additions give stainless steel greater corrosion resistance.

Increased Strength And Toughness

Molybdenum-containing steels improve the safety and economy of oil and natural gas pipelines. Extreme winter conditions in the far north of Canada and Alaska are particularly hard on conventional steel; molybdenum-bearing steels are required in these extreme climates.

Chemical And Lubrication Uses

Desulphurization

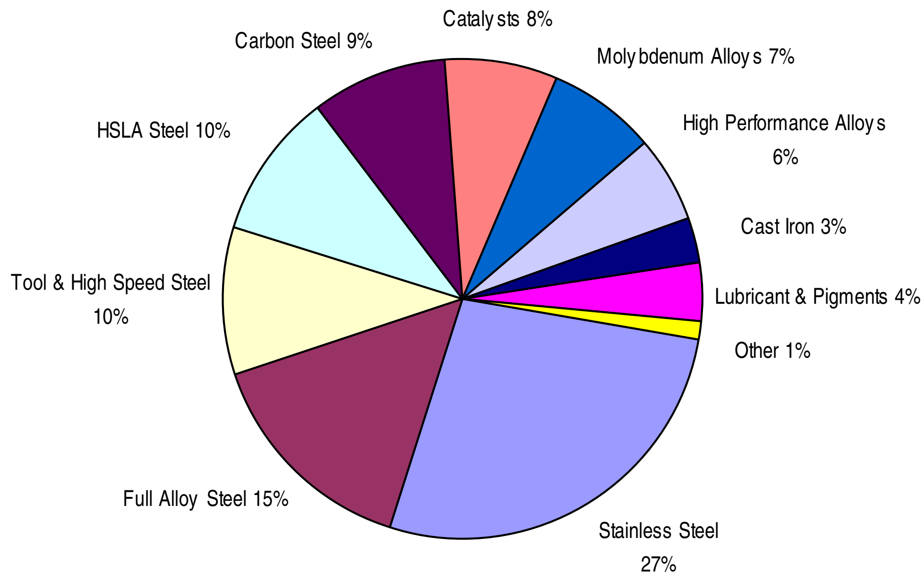
Molybdenum used in catalysts lowers the sulphur level of fuels, a particularly important contribution as we rely increasingly on high sulphur crude for global fuel supply.

Corrosion Inhibition And Pigments

Molybdenum salts work as corrosion inhibitors in engine coolants and water treatment systems.

Molybdenum usage data from 2006 is captured in Exhibit 1.

Exhibit 1. Uses Of Molybdenum

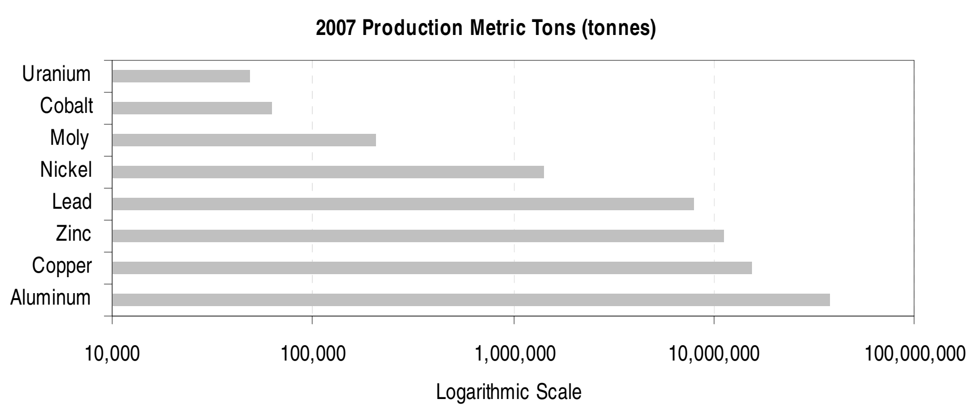


Source: Company reports and CIBC World Markets Inc.

The Molybdenum Market

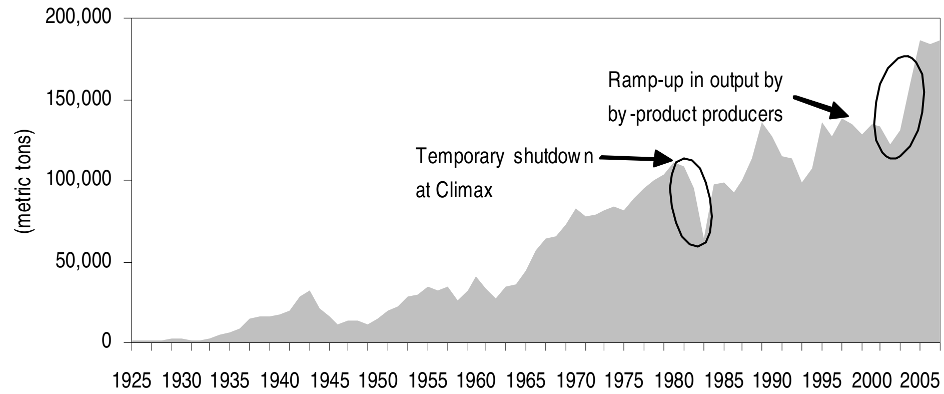
The molybdenum market has developed within the past 100 years. Over 450 million lb. of molybdenum, which constitutes the current market, are consumed per year and this level has been growing with demand for other base metals. In size and scope, molybdenum production is minor in comparison to that of the major base metals, copper, zinc and aluminum.

Exhibit 2. Relative Base Metals Production



Source: Company reports and CIBC World Markets Inc.

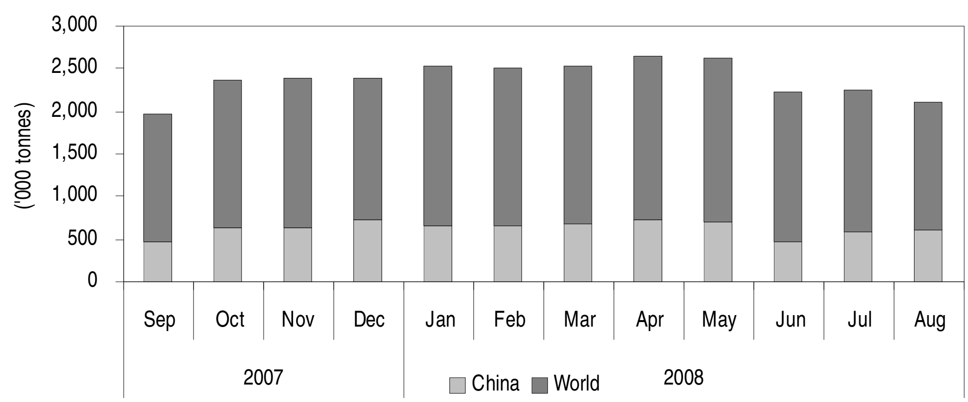
Exhibit 3. Historical Molybdenum Market (World Production)



Source: CRU and CIBC World Markets Inc.

The single-largest broad usage of molybdenum is in the varying grades of stainless steel. Stainless steel production recovered marginally in early 2008 from the lows of 2007, but recent forecasts indicate a full recovery will not transpire until late 2009 or early 2010. Some of the production pullback in 2007 can be attributed to a rapid increase in the price of nickel, a key component of several types of stainless steel, and the associated de-stocking of steel mills that generally occurs during times of commodity price increases.

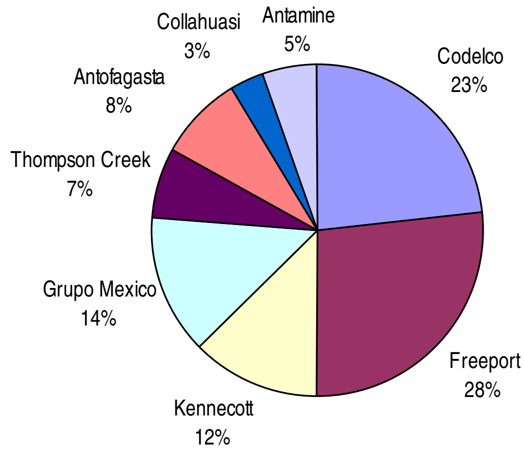
Exhibit 4. Stainless Steel Production



Source: CRU.

Global molybdenum production is dominated by major mining companies and Thompson Creek Metals. The major producers (with the exception of Thompson Creek) derive only a small percentage of their total company revenue from the sale of molybdenum. That can't be said for the current crop of molybdenum project developers, many of which are highly or exclusively leveraged to the molybdenum price.

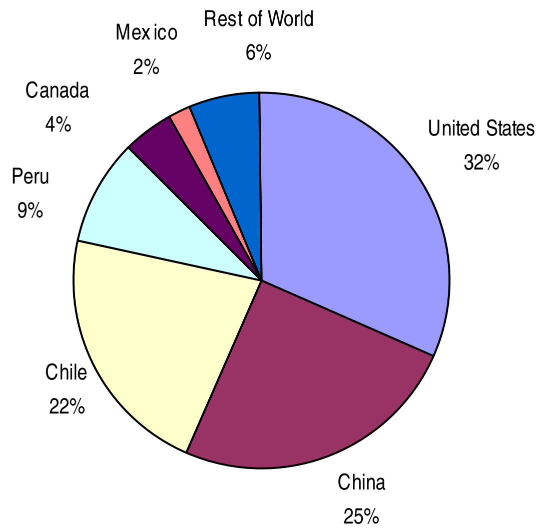
Exhibit 5. Molybdenum Producers And Market Share



Source: Company reports and CIBC World Markets Inc.

Moly production is dominated by three countries, the U.S., China and Chile, which produce 79% of the global supply (2007).

Exhibit 6. 2007 Molybdenum Production By Country



Source: USGS and CIBC World Markets Inc.

Primary Vs. By-product Production

Looking at individual assets, the majority of molybdenum production is in the form of primary production, although that has not always been the case. Up until about 1980 molybdenum production was dominated by primary producers, namely Climax (owned by Climax Minerals Corp.; parent company was Amax) and Henderson (owned by Cyprus Minerals at the time). Molybdenum pricing during this time was a function of operating costs as the major producers could essentially set the price, locking in adequate margins but keeping them low enough to discourage new primary production.

Molybdenum prices spiked in 1977, primarily the result of a rapid rise in oil prices. A shortage of available molybdenum followed as global refining capacity increased. Other primary producers entered the mix, as did a new phenomenon, by-product production from copper miners.

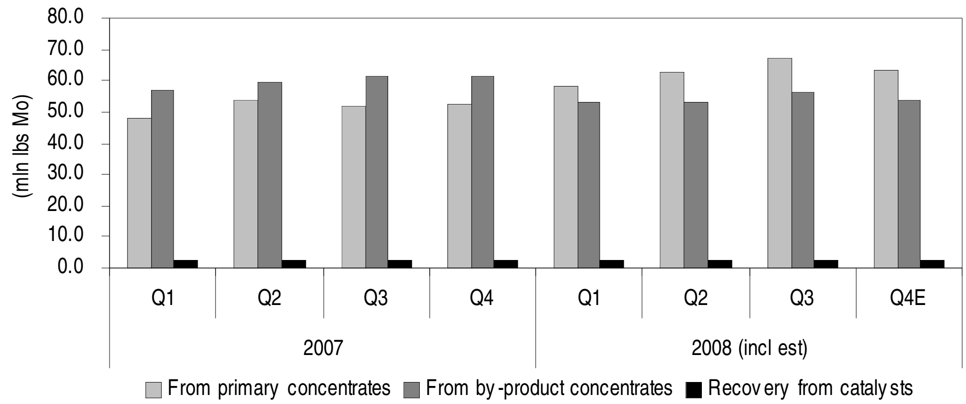
Historically, copper miners had known about low levels of molybdenite mineralization in many copper ores, but concentrations were too low to be of significance to the miners and the molybdenum market had historically been well supplied. The rapid rise of molybdenum prices in the late 1970s prompted some copper miners to re-examine their molybdenum positions. Enter the by-product producers.

Molybdenum circuits were added to a number of existing copper mines and soon the molybdenum shortage was filled and a supply glut ensued. This situation continued through the 1980s, during which time the pricing dynamic changed. In less than a decade the molybdenum market shifted from one that was essentially balanced and dominated by two price-setting majors to one characterized by a supply glut and price-setting by-product producers (the latter group having built their plants using cash flow from their copper operations).

The by-product producers also had the luxury of a completely different operating cost structure than the primary producers. Essentially overnight, the primary producers became the high-cost marginal producers: case in point, the Climax mine was put on "care and maintenance" in 1986.

Fast forward and today's high molybdenum price has rendered several copper mines actually more molybdenum dominant from a revenue per tonne of ore perspective. Up until very recently molybdenum production was 55% from by-product and 45% from primary production. This is starting to change, as over the past few quarters we have seen production distribution move the other way, a switch that bodes well for the long-term price of molybdenum.

Exhibit 7. Molybdenum Production By Mine Type



Source: Company reports and CIBC World Markets Inc.

The ratio of primary to by-product production is forecast to increase as favored projects such as Mt. Hope (General Moly) and possibly Climax (Freeport McMoRan) and other major pure-play molybdenum projects come on stream in the coming years.

When production was dominated by extremely low-cost producers the molybdenum price remained low and production levels at those producers were not affected. Supply was essentially inelastic on the lower end of the price curve; it was always adequate to ensure the price never rose to a level at which new upstart primary producers were economic. This situation has changed gradually over the last 20 years. Economic conditions have slowly allowed primary producers to re-enter the market. As the supply-side is increasingly dominated by higher-cost production the concept of marginal supply and supply elasticity enters the equation.

The bottom line – the price of molybdenum moving forward will be underpinned by the operating costs of the high-cost primary producers.

An interesting phenomenon has materialized in recent years in tandem with the historically high level of by-product production: companies high-grading their deposits. A practice undertaken during high metals price environments (and an approach that is not sustainable without impacting long-term mine economics and mine life), producers advantageously extract ore from areas of a mine that generate the highest possible returns or margins. Copper molybdenum mines that once practiced high grading are now returning to a more balanced or long-term production scenario. The outcome of this practice, generally speaking, has been a degree of mine-by-mine molybdenum production decreases over the last few quarters.

Supply/Demand Outlook

Supply Estimates

In reviewing projects at face value there is 31.1 million lb. of new production forecast to come on stream in 2009 but only 4.0 million new lb. in 2010. New projects such as Mineral Park (Mercator Minerals), Spinifex Ridge [Moly Mines (MOL–TSX)], Mt. Hope (General Moly), Malmbjerg [Quadra Mining (QUA–TSX)] and Liberty (General Moly) are queued up to begin production between 2008 and 2014. At first pass, it looks like new supply will be easily able to feed growing demand. However, given the current state of equity and debt markets, now is not the most opportune time to be raising funds to build big-ticket projects.

2009 is a big year for production growth. The continued ramp-up of both the Thompson Creek Mine and Endako (Thompson Creek) will add approximately 12 million lb. of additional production. Mineral Park will be near 5 million lb. in 2009. These projects alone account for approximately 4% of production growth over 2008 levels. The Cananea expansion, if it goes ahead in the current market, could add a potential 6 million additional lb. of supply, although this supply is tenuous at best considering the company's recent labor situation.

Exhibit 8. 2009E Development Projects And Expansions (mln. lb. Mo)

Country	Owner	Mine Name	2008E	2009E	Increase
Canada	Thompson Creek	Endako	8.6	10.0	1.4
Canada	Roca Mines	Max	2.0	5.0	3.0
United States	Thompson Creek	Thompson Creek	16.8	27.0	10.3
		Total Primary	**27.4**	**42.0**	**14.7**
Country	**Owner**	**Mine Name**	**2008E**	**2009E**	
Chile	Antofagasta PLC	Los Pelambres	15.0	20.0	5.0
Mexico		Cananea		6.0	6.0
United States	Mercator Minerals	Mineral Park	0.5	5.9	5.4
		Total Secondary	**15.5**	**31.9**	**16.4**
		New Pounds			**31.1**

Source: Company reports and CIBC World Markets Inc.

2010 also originally looked like another significant year for production growth with 56.3 million lb. coming on-stream with Climax, Mt. Hope and Ruby Creek queued up to commence production. That outlook has changed drastically. Climax has been delayed indefinitely, and Mt. Hope and Ruby Creek [Adanac Molybdenum (AUA–TSX)] are both facing serious funding hurdles.

Exhibit 9. 2010E Development Projects And Expansions (mln. lb. Mo)

Country	Owner	Mine Name	2010E
United States	General Moly	Mount Hope	4.0
United States	Freeport McMoRan	Climax	0.0
		Total Primary	**4.0**
		New Pounds	**4.0**

Source: Company reports and CIBC World Markets Inc.

Looking further out, there are a number of potential molybdenum projects that could begin production through 2012.

Exhibit 10. Potential Primary Molybdenum Production Visibility (mln. lb. Mo)

Country	Owner	Mine Name	Current Production 2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E
Canada	Thompson Creek	Endako	9.5	8.6	8.5	8.5	8.5	8.5	8.5	8.5
Canada	Thompson Creek	Davidson							4.5	4.5
Canada	Adanac Molybdenum	Ruby Creek					11.3	11.3	11.3	11.3
Canada	Nanika Resources	Lucky Ship				2.0	2.0	2.0	2.0	2.0
Canada	Roca Mines	Max		2.0	7.2	7.2	7.2	7.2	7.2	7.2
China	China National Gold Group Corporation	Wunugetushan		5.0	5.0	5.0	5.0	5.0	5.0	5.0
China	China Molybdenum	Sandaozhuang	30.5	33.0	36.0	36.0	36.0	36.0	36.0	36.0
China	Asian Dragon	Mozigou (MZG)								
China	Jinduicheng Molybdenum	Jinduicheng	28.7	28.0	33.9	33.9	33.9	33.9	33.9	33.9
Eastern Europe & CIS	Misc mines		78.1	92.2	92.2	92.2	92.2	92.2	92.2	92.2
Greenland	Quadra Mining	Malmbjerg							25.0	25.0
Kazakhstan	Celtic Resource (50%) & Kazatomprom (50%)	Shorskoye	1.0	1.5	1.5	2.0	2.0	2.0	2.0	2.0
Mexico	Creston Moly	Creston						14.0	14.0	14.0
Mongolia	Erdene Resource	Zuun Mod								15.0
United States	Thompson Creek	Thompson Creek	9.2	16.8	25.5	25.5	25.5	25.5	25.5	25.5
United States	General Moly	Mount Hope				4.0	36.0	38.0	42.0	40.0
United States	General Moly	Liberty							9.0	21.0
United States	Freeport McMoRan	Henderson	39.0	39.0	29.0	29.0	39.0	39.0	39.0	39.0
United States	Freeport McMoRan	Climax					30.0	30.0	30.0	30.0
United States	Chevron Mining	Questa	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
United States	Golden Phoenix (60%) & Win-Eldrich Gold (40%)	Ashdown		0.5	0.5	0.5	0.5	0.5	0.5	
United States	Bolero Resources	Bald Butte							4.0	4.0
Western Australia	Moly Mines	Spinifex Ridge					24.0	24.0	24.0	24.0
		Total Primary	**196.0**	**231.5**	**239.2**	**245.7**	**353.0**	**369.0**	**415.5**	**440.0**

Source: CRU, MEG, Company reports and CIBC World Markets Inc.

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Exhibit 11. Potential Secondary Molybdenum Production Visibility (mln. lb. Mo)

Country	Owner	Mine Name	Current Production 2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E
Argentina	Xstrata (50%), Goldcorp (37.5%), & Yamana (12.5%)	Bajo de la Alumbrera	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Argentina	Yamana	Agua Rica						15.0	15.0	15.0
Australia	Auzex Resources	Kingsgate				2.0	2.0	2.0	2.0	2.0
Australia	Thor Mining PLC	Molyhil			1.0	1.0	1.0	1.0	0.0	0.0
Canada	Teck Cominco	Highland Valley	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Canada	Taseko	Gibralter	0.5	1.0	1.5	1.5	1.5	1.5	1.5	1.5
Canada	Pacific Booker Minerals	Morrison					1.0	1.0	1.0	1.0
Chile	Anglo American PLC (44%); Xstrata (44%); & Mitsui & Co + other Japan Cos (12%)	Collahuasi	8.9	5.1	8.0	8.0	14.0	15.0	15.0	15.0
Chile	Teck Cominco	Antamina	14.1	12.0	12.0	14.0	14.0	14.0	14.0	14.0
Chile	Antofagasta PLC	Los Pelambres	22.3	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Chile	Codelco	Codelco Norte/Chuquicamata	42.0	41.0	41.0	43.1	45.2	47.5	49.8	52.3
Chile	Codelco	Salvador	2.7	2.7	2.7	2.8	3.0	3.1	3.3	3.4
Chile	Codelco	Andina	7.0	5.0	5.0	5.3	5.5	5.8	6.1	6.4
Chile	Codelco	El Teniente	10.1	9.0	9.0	9.5	9.9	10.4	10.9	11.5
China, Eastern Europe & CIS			7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Mexico	Grupo Mexico – Southern Copper	La Caridad	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Mexico	Jinchuan Group – ex. Tyler Resources	Bahuerachi					2.0	2.0	2.0	2.0
Mexico		Cananea			6.0	6.0	6.0	6.0	6.0	6.0
Mexico	Virgin Metals	Los Verdes						2.0	2.0	2.0
Papua New Guinea		Yandera							9.3	9.3
Peru	Teck Cominco	Antamina	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Peru	Freeport McMoRan (53.56%); SMM Cerro Verde (21.0%); Compania de Minas Buenaventura (18.5%); Lima Stock Exchange (6.94%)	Cerro Verde		4.0	4.0	4.0	4.0	4.0	4.0	4.0
Peru	Grupo Mexico – Southern Copper	Toquepala	13.7	12.7	9.0	11.0	13.7	13.7	13.7	13.7
Peru	Grupo Mexico – Southern Copper	Cuajone	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Peru	Grupo Mexico – Southern Copper	Las Chancas						6.0	6.5	6.5
Peru	Inca Pacific Resources	Magistral						5.7	5.7	5.7
Peru	Monterrico Metals PLC	Rio Blanco						5.0	5.0	5.0
Peru	Chinalco	Toromocho							10.0	10.0
United States	Freeport McMoRan	Bagdad	9.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0
United States	Freeport McMoRan	Sierrita	20.5	20.0	20.0	20.0	20.0	20.0	20.0	20.0
United States	Freeport McMoRan	Morenci	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
United States	Freeport McMoRan	Chino	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0
United States	Rio Tinto – Kennecott	Bingham Canyon	33.1	23.0	25.0	25.0	25.0	25.0	25.0	25.0
United States	Mercator Minerals	Mineral Park		0.5	5.9	10.0	10.3	11.4	12.0	10.0
United States	Grupo Mexico – Asarco	Mission	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
United States	BHP	Pinto	0.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0
United States	Montana Resources	Butte	7.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0
United States	Augusta Resource	Rosemont						3.3	3.3	3.3
		Total Secondary	**247.2**	**222.1**	**236.7**	**249.7**	**264.7**	**307.0**	**329.8**	**331.3**

Source: Company reports and CIBC World Markets Inc.

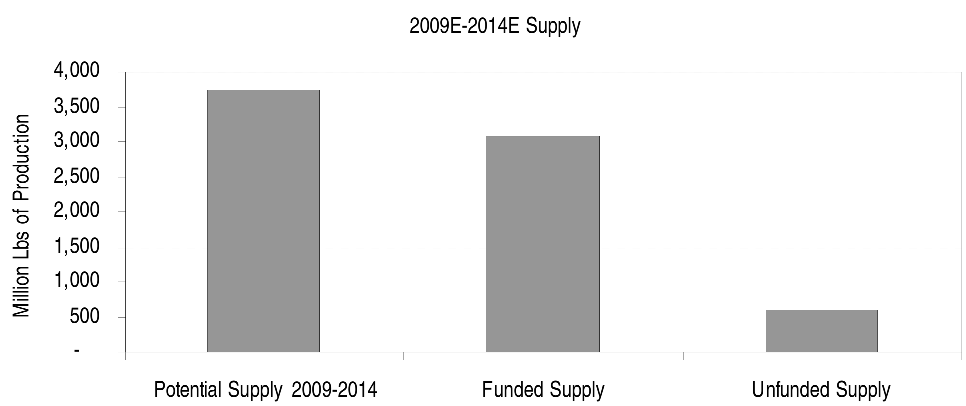
According to CRU, molybdenum production from Codelco (–1.6%), Kennecott [Rio Tinto (RIO–L)] (–30.1%), Antofagasta (ANTO–L) (–28.4%), Collahuasi (–42.3%) and Antamina [BHP Billiton (BHP–NYSE), Teck (TCK.B–SO), Xstrata XTA–L)] (–12.5%) are all off year to date compared to 2007. The only major Western World producer making serious production improvements year to date is Thompson Creek, with an estimated 35% production increase from 2007. Combined year-to-date production numbers from the major Western World producers are down 4.6% year to date according to CRU. This highlights the fact that estimates are just that and the market is sensitive to production shortages.

Recent market turmoil has cast an ugly shadow over large capital projects. Equity markets are in disarray; debt markets have dried up and are becoming more risk averse daily. Re-examining the project pipeline from the perspective of corporate capitalization, it is easy to see many pounds of new production in the pipeline that are not fully funded. Quality projects always seem to find a way to be funded but not without delays, dilution or management team flux.

The current global economic crisis may be in fact causing a perfect storm in the molybdenum industry over the near to mid-term. We reiterate that we are not suggesting the quality of the projects has somehow changed during this crisis; instead, that they may simply be shelved, delayed or acquired, each of these scenarios delaying pounds of molybdenum from reaching the market.

Fully capitalized, cash flow-generating producers such as Freeport McMoRan, Thompson Creek Metals and Mercator Minerals will likely avoid any such delays. As current cash flow levels and balance sheet strength should ensure these producers meet development timelines, we would rate their “future molybdenum pounds” as more secure than the single-asset, pure-play development stories like Moly Mines, General Moly, Adanac, and Roca Mines (ROK–TSX–V), etc. Case in point, Spinifex Ridge, owned by Moly Mines, has had a well-documented challenge in raising capital requirements of A$1.26 billion and Adanac’s Ruby Creek has a capex price tag estimated at US$640 million: both projects will be extremely difficult to finance in the current environment. These project economics may remain robust, but market appetite for financing mining projects either through equity or debt remains light. We estimate that 718 million lb. of total new molybdenum supply forecast to come on stream between 2009 and 2014 is not 100% financed and is tightly tied to the markets. These pounds could be easily pushed out 12 to 24 months, creating tightness in the market.

Exhibit 12. New Molybdenum Supply Funding



Source: Company reports and CIBC World Markets Inc.

All things considered, we believe the new molybdenum supply pipeline is partially at risk given current market conditions and the fact that mining projects are becoming more expensive and, thus, more dependent on the markets for some form of funding. Project developers are strapped for funding and personnel. Explorer companies lack the funding and market demand to finance greenfield exploration projects. Exploration projects will surely be slowed or shelved until there is a recovery in the equity markets. The current state of the markets may delay the supply-side of the molybdenum price equation by 12 to 24 months; in the meantime, demand will likely recover and continue on its steady climb.

Few Swing Producers

Unlike nickel with its seemingly infinite "pig nickel" supply, which is economic in the US$8/lb.–US$14/lb. range, forming a type of ceiling or overhang, and with several projects on "care and maintenance" (such as Xstrata's Falcondo) ready to quickly fill demand when the price environment corrects itself, the same is not true for molybdenum supply. With the exception of Climax, which has been on care and maintenance for over a decade, there is very little idle molybdenum supply. We have seen this situation before – back in the early part of this century, when prices improved after years of languishing in the basement, a chronic lack of investment meant there was no new supply to feed the beast and prices jumped.

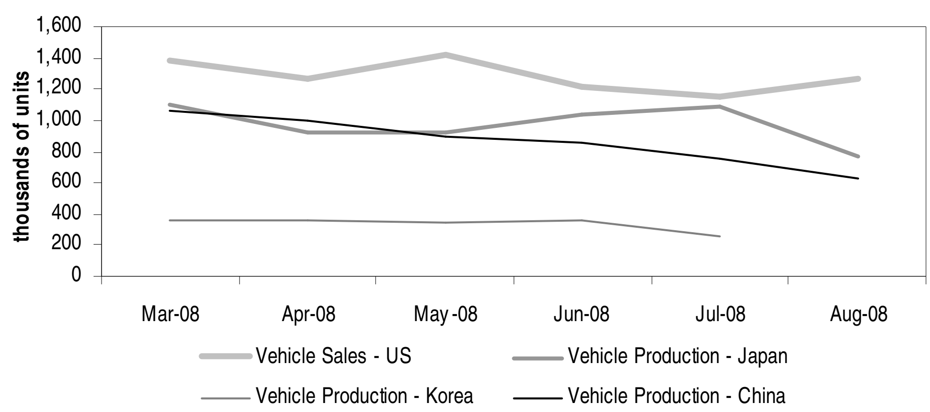
Because the time lag from initial discovery to cash flow is so long with greenfield mining projects, many assets discovered after this first molybdenum price jump have still not been built. This, coupled with the current lack of funding, translates into an even greater lag in reacting to a strong price environment. The absolute lack of current financing potential will exacerbate this issue. Unlike nickel and copper with their long profiles of marginal producers, molybdenum supply remains constrained by the global financial crisis and new project finance.

Demand Picture Looking Increasingly Volatile And Uncertain

Auto Sector Looking Weak Into 2009

Volvo (F–NYSE) truck orders are a fraction of what they were in 2007. Nissan (NSANY–OTC) is cutting vehicle production in Japan by 60,000 vehicles. In the U.S. market, Toyota's (TM–NYSE) sales are down 12% year to date and the company has scheduled an additional two days of production cutbacks in December. The outlook for the auto sector is grim and will likely take 12 to 24 months to recover.

Exhibit 13. Auto Production

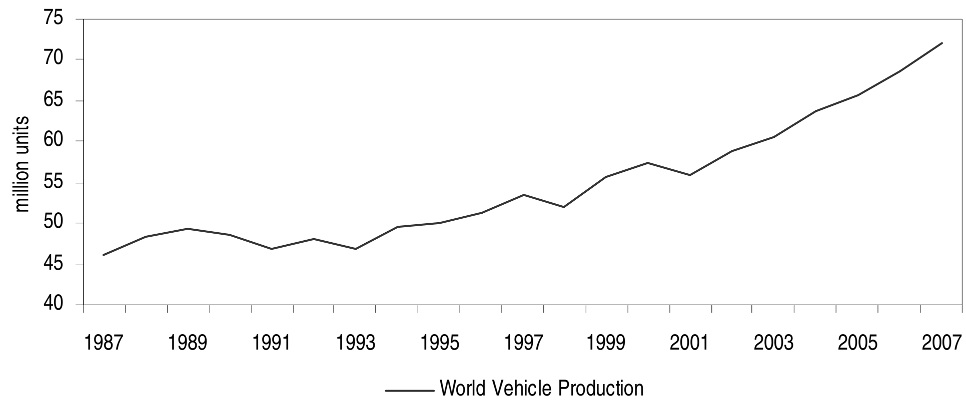


Source: Company reports and CIBC World Markets Inc.

Taking a longer-term view, on a per vehicle basis, the use of molybdenum in automobiles – for anticorrosion, strengthening, increased safety and weight reduction applications – is increasing.

Over the long term, high fuel prices will likely drive the use of molybdenum in autos as manufacturers look to reduce weight, improve strength, and increase the usage of diesel engines. We also expect emerging markets to drive total vehicle demand and, therefore, molybdenum use in the sector. Smaller cars with a greater reliance on diesel and turbocharged engines and higher exhaust temperatures are all bullish developments for molybdenum over the long term.

Exhibit 14. Recent Vehicle Production Growth



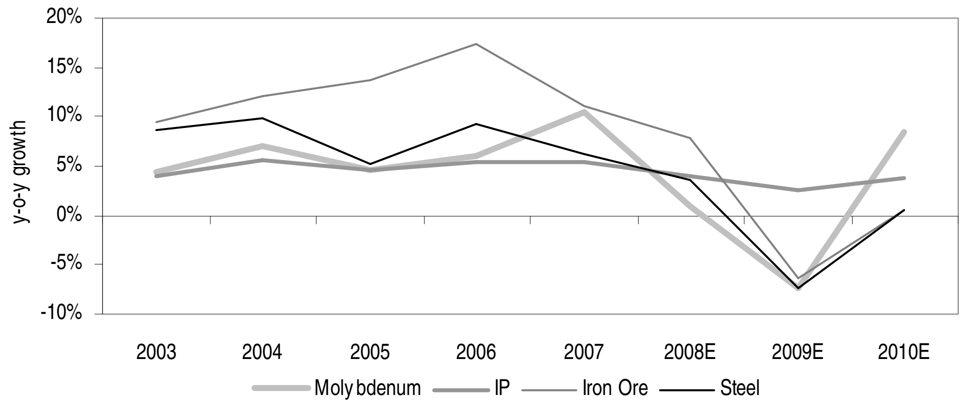
Source: Company reports and CIBC World Markets Inc.

Steel Industry Looking Weak Into 2009

The single most important sector that determines the health of the moly price is the broader steel industry. It can be argued that molybdenum demand is price inelastic. The broader steel sector represents the major consumer of molybdenum, accounting for approximately 70% of total global molybdenum consumption. Molybdenum, however, generally accounts for less than 0.5% of the total weight of typical steels. Therefore, the molybdenum price accounts for only a very small percentage of the total cost of steel production. In other words, molybdenum price fluctuations have a minor impact on total steel production costs on the whole. It can be argued that moly demand has less to do with the actual price of the metal and more to do with the overall health of the end-user industry.

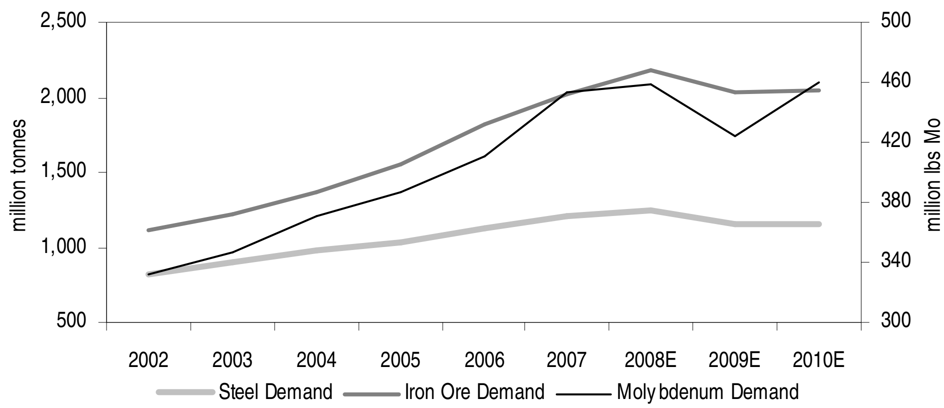
Historically, molybdenum demand has risen and fallen with broad steel demand and industrial production (IP) growth and has had less to do with price elasticity or substitution.

Exhibit 15. IP, Steel And Moly Demand



Source: AME, CRU and CIBC World Markets Inc.

Exhibit 16. Steel And Moly Demand

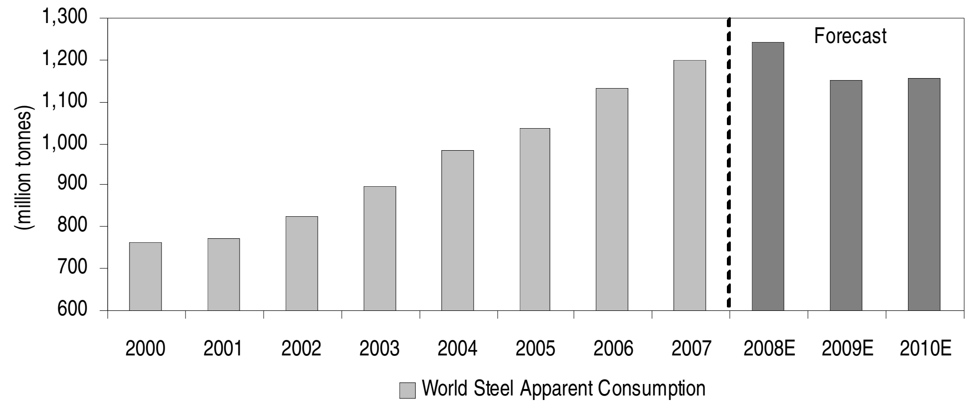


Source: AME, CRU and CIBC World Markets Inc.

We foresee moly demand dropping to 440 million lb. in 2009. We anticipate that the 105 million lb. per quarter consumption seen in Q4/2008 will continue for the first half of 2009, before recovering to 115 million lb. per quarter in the second half of 2009. Our estimates are based on indications from the steel sector showing production cuts in the range of 12%–15% for the next few quarters.

The long-term trend for steel consumption remains at 5%–6% growth year over year. We expect consumption to revert to this trend after what appears to be a weak H2/2008 and early 2009.

Exhibit 17. Global Steel Consumption



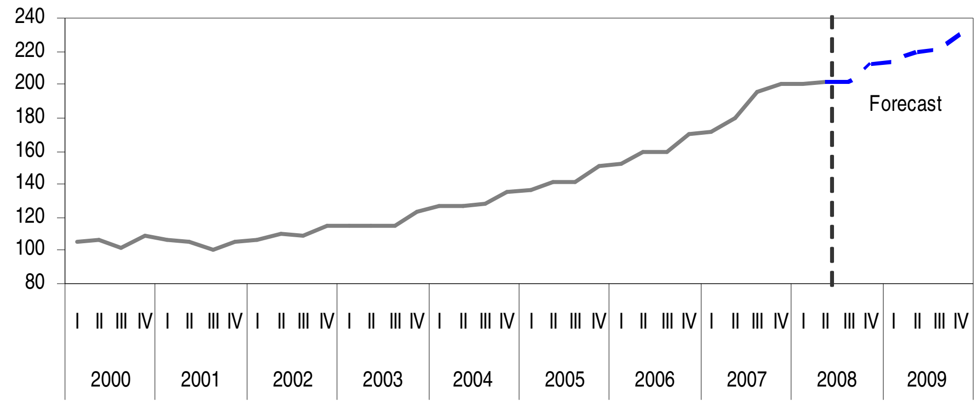
Source: AME and CIBC World Markets Inc.

September 2008 steel production numbers were soft and highlight the drop in production levels and the de-stocking under way. According to the World Steel Association, in September 2008:

- Chinese production was 39.61 million tonnes vs. a consensus forecast of 42.57 million tonnes.
- Japanese production was 10.08 million tonnes vs. a consensus forecast of 10.17 million tonnes.
- U.S. production was 7.86 million tonnes vs. an 8.67 million tonnes consensus forecast.
- German production was 4.04 million tonnes vs. a 3.99 million tonnes consensus forecast.
- Russian production was 6.10 million tonnes vs. a 6.34 million tonnes consensus forecast.
- Production in the Ukraine was 2.48 million tonnes vs. a 3.21 million tonnes consensus forecast.

More specifically, stainless steel demand, according to the International Stainless Steel Forum (ISSF), will stagnate for the next quarter but is expected to resume its longer-term growth pattern of 6%–8% demand growth year over year.

Exhibit 18. Stainless Steel Demand Index

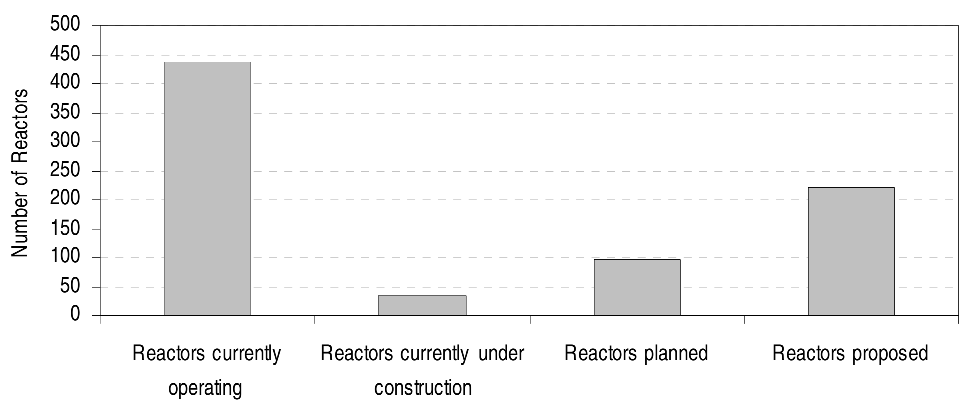


Source: ISSF and CIBC World Markets Inc.

Molybdenum And Atomic Energy

High molybdenum-bearing steels and alloys are often the only option in extreme applications. One such area is atomic power generation. Super alloys are used throughout atomic power generation stations. The outlook for atomic power is robust. Global demand for cleaner sources of energy is increasing, and nuclear, as the one large-scale commercially proven source of clean power, stands to benefit. Over the next few years many of the existing fleet of reactors will need to be upgraded or rebuilt, as many have exceeded their design lives. A number of new reactors are planned or under construction and coming on stream to meet the energy demand from emerging economies. Over the long term, this trend constitutes another bullish area for molybdenum demand.

Exhibit 19. Atomic Reactor Build Forecasts



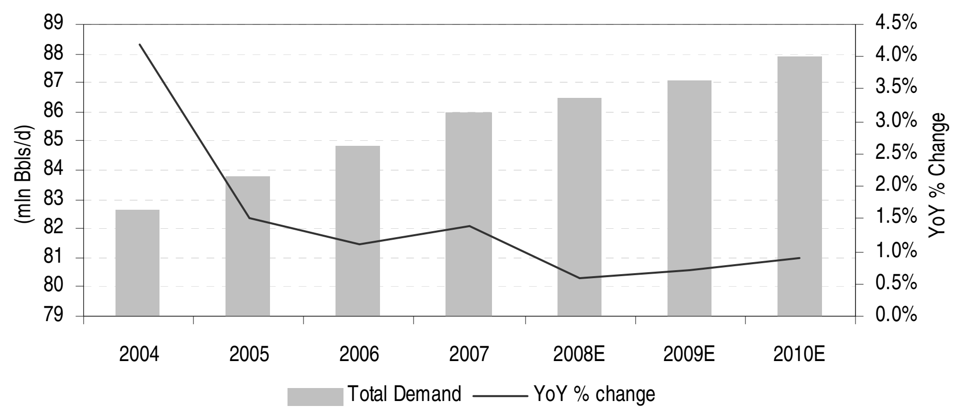
Source: World Nuclear Association and CIBC World Markets Inc.

Molybdenum And The Oil Industry

Growth and changing regulations in the energy sector will impact molybdenum demand, as molybdenum is used in many of the specialty steels from which pipelines and refineries are constructed. HSLA steel, which consumes approximately 10% of global molybdenum production, is used in the production of oil and gas pipelines. As new pipelines are built to feed energy demand, molybdenum demand will grow. Moreover, it could be argued that the actual contribution from molybdenum will increase even further as projects are constructed in environments characterized by more extreme temperatures, where molybdenum's exclusive chemical and physical characteristics are increasingly relied upon.

As in atomic power generation, high molybdenum-containing super alloys are used in oil refineries. As demand for oil increases it stands to reason that so, too, will demand for molybdenum.

Exhibit 20. Oil Demand Forecast



Source: CIBC World Markets Inc.

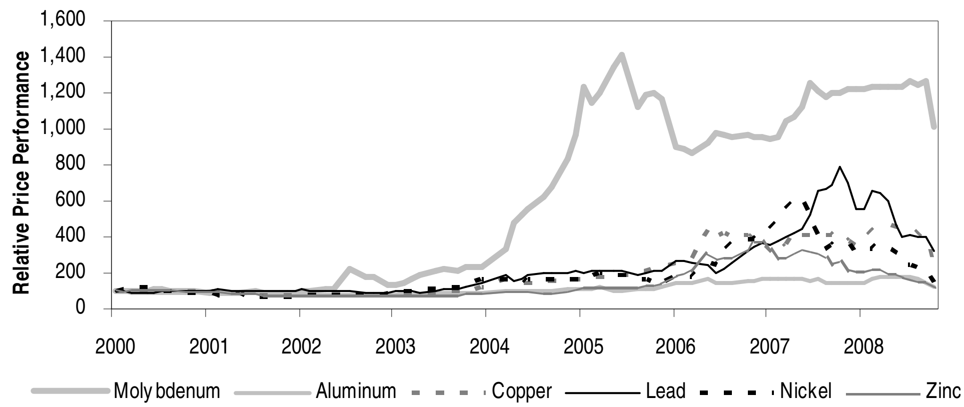
By 2020 global fuel regulations call for diesel and gasoline and gasoline sulphur content to be cut by a minimum of 50% and in some regions by as much as 95% from levels in 2005. Desulphurization in fuel oil refining relies on molybdenum as a catalyst in this process. These increasingly strict regulations suggest that demand for molybdenum will continue to grow over the longer term.

An increase in aggregate oil demand as emerging markets develop, along with improved environmental regulations regarding sulphur in fuels, ensure molybdenum demand will be linked to the oil industry moving forward.

Molybdenum Price Forecast And Analysis

The recent short-term trend for molybdenum prices looks set to continue at least for some time. The auto sector looks weak, overall steel production forecasts are uninspiring, and stainless steel demand will remain anemic. No matter the long-term picture, nearby surpluses and a global downturn will weigh on the molybdenum price in the coming months. A testing of support in the US$10/lb. range for moly oxide during 2009 is entirely possible given the growing scope of the economic downturn. Growth rates from China post-Olympics are slowly filtering out and look disappointing. Although the Chinese economy is continuing to grow at 9% year over year (Q3/2008) this number is lower than predicted and much lower than the 11.8% growth in 2007.

Exhibit 21. First To Rise And Last To Fall



Source: Bloomberg, CRU and CIBC World Markets Inc.

As outlined, the supply-side of the molybdenum price equation is linked to the weak debt and equity markets. This source of funding will take time to recover and will force delays in projects. With an estimated 718 million lb. of potential molybdenum production between now and 2014 unfunded, we believe the global moly market will remain mostly balanced in the coming years with the risk of a slight deficit in the marketplace into 2011; we believe this situation will support prices above historical levels. Once the current global downturn corrects itself, we believe that the molybdenum price will return to the US$15/lb. range, significantly down from the US$30/lb. range it has enjoyed over the past few years. Growth rates will uptick faster than the supply-side will be able to react as producers contend with the ramifications of the current economic situation.

In recent weeks we have seen Freeport McMoRan announce a 25% production cut at Henderson and curtail development of Climax indefinitely. Additionally, we view production from the CIS and Kazakhstan to be some of the highest-cost moly production. Financial details from 2007 indicate production costs in the US$13/lb.–US$14/lb. range from many of the small producers in the area, including Shorskoye. We expect additional production cuts to be forthcoming as a result of low prices.

CIBC World Markets

Unlike other commodities, molybdenum has very little supply on care and maintenance, with the exception of the ever-present Climax and the 10 million lb. available at Henderson. In the nickel space we hear of various producers moving assets to care and maintenance status, including Xstrata's Falcondo nickel mine and First Nickel's (FNI–TSX) Lockerby Mine, to name a couple. As the price of nickel improves, several producers will be able to very quickly restart production. The major molybdenum projects discussed are not built and are years away from production. The price deterioration and economic downturn are delaying the commissioning and construction processes, and, as such, the opportunity for a supply squeeze is a very distinct possibility in the molybdenum space. If the economy comes roaring back, upstart producers will still be 12 to 24 months away from production, creating an opportunity for a short-term price spike.

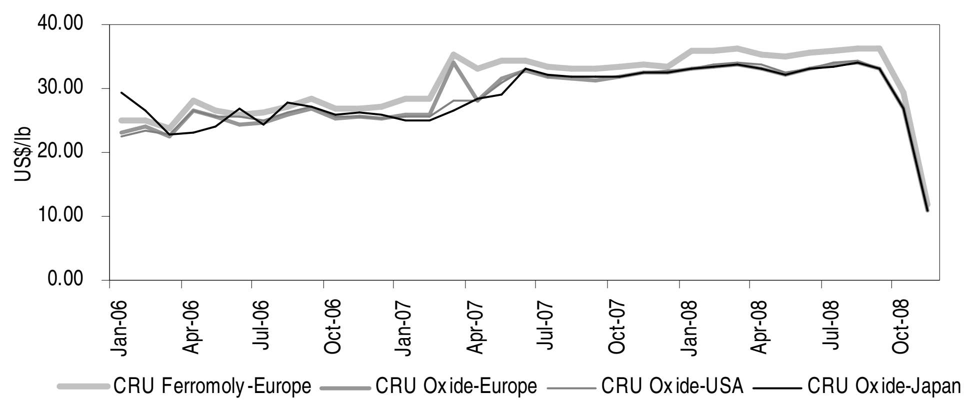
Exhibit 22. CIBC World Markets Molybdenum Price Forecast

	2008E	2009E	2010E	Long Term
Moly Oxide (US$/lb.)	$28.00	$10.00	$12.00	$12.00

Source: CIBC World Markets Inc.

Molybdenum is tied more closely to large-scale capital projects than to consumer discretionary spending. Capital projects like atomic power generation plants, pipeline construction, and aircraft building, etc., tend to be linked to a longer-term economic view and not just consumer confidence. With that in mind, we don't expect a major downturn in these types of large-scale capital projects during a recession and they, therefore, offer some support to the molybdenum price.

Exhibit 23. Recent Price Stability Looking Less Stable To Say The Least



Source: CRU and CIBC World Markets Inc.

Investing In Molybdenum

With the moly price following the paths of other base metals such as nickel and copper over the past several months, any hope for molybdenum weathering the economic storm has passed. However, we believe the share prices of equities with exposure to the moly price have over-reacted. With a solid balance sheet, very little debt, and producing assets, we recommend Thompson Creek as the best opportunity through which to gain exposure to molybdenum; as a result, we are initiating coverage of Thompson Creek with a Sector Outperformer rating and a 12- to 18-month price target of $8.65.

We are also initiating coverage of Mercator Minerals with a Sector Performer rating and 12- to 18-month price target of $1.20 and General Moly with a Sector Performer rating and 12- to 18-month price target of US$1.95. Mercator is in the early stages of ramping up production and General Moly is in the process of securing project financing. We believe both companies offer deep value, but Thompson Creek's extremely low share price leads us to recommend that company as our top pick in the space. We will review these ratings as warranted by market conditions and the moly pricing environment.

CIBC World Markets

Equity Research
Initiating Coverage

November 24, 2008

Metals & Minerals

Stock Rating:
Sector Outperformer

Sector Weighting:
Market Weight

12-18 mo. Price Target	$8.65
TCM-TSX (11/21/08)	$3.38
Key Indices: None	
3-5-Yr. EPS Gr. Rate (E)	NM
52-week Range	$3.20-$25.00
Shares Outstanding	125.0M
Float	120.5M Shrs
Avg. Daily Trading Vol.	1,350,000
Market Capitalization	US$328.1M
Dividend/Div Yield	Nil / Nil
Fiscal Year Ends	December
Book Value	US$7.27 per Shr
2008 ROE (E)	NM
LT Debt	US$1.6M
Preferred	Nil
Common Equity	US$909.4M
Convertible Available	No

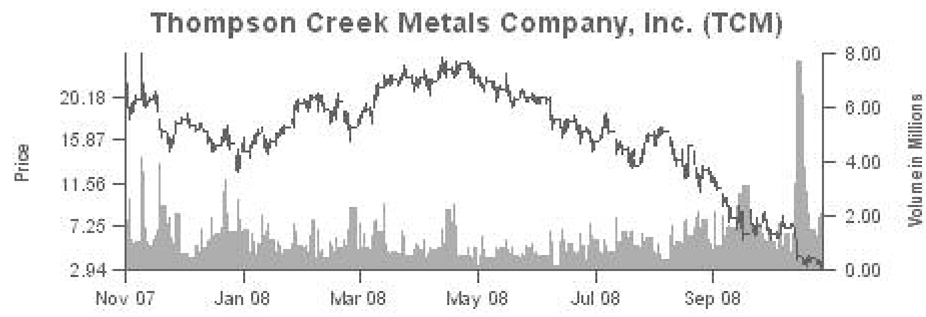
Earnings per Share	Prev	Current
2008		US$1.98E
2009		US$0.84E
2010		US$1.41E
P/E		
2008		1.3x
2009		3.1x
2010		1.9x

Thompson Creek Metals Company, Inc.

Initiating Coverage -- Deep, Deep, Deep Value

- Today's market is providing an opportunity to buy Thompson Creek Metals Company for less than half our estimated net asset value for the Thompson Creek Mine, plus Endako, Davidson and Mt. Emmons (Lucky Jack) are in the mix for free.
- The company has little debt and is well capitalized, generating an estimated US$0.84/share in earnings in 2009 and US$1.41/share in earnings in 2010.
- Thompson Creek has a strong pipeline of growth prospects. The Endako mill expansion, Davidson project, and Mt. Emmons offer, we believe, significant upside potential for the company.
- Molybdenum will likely correct from recent lows as global economic conditions improve and poorly capitalized projects fail or are delayed. As of November 24, we initiate coverage of Thompson Creek Metals with a Sector Outperformer rating and a 12- to 18-month price target of $8.65.

Stock Price Performance



Source: Reuters

All figures in Canadian dollars, unless otherwise stated.(C$1.288:US$1)

08-92995 © 2008

Company Description
The world's largest pure-play molybdenum producer, Thompson Creek is focused on the Thompson Creek and Endako mines and has a suite of world-class development projects in Davidson and Mt. Emmons.
www.thompsoncreekmetals.com

Ian Parkinson
1 (416) 956-6169
ian.parkinson@cibc.ca

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Investors should consider this report as only a single factor in making their investment decision.

See "Important Disclosures" section at the end of this report for important required disclosures, including potential conflicts of interest.

See "Price Target Calculation" and "Key Risks to Price Target" sections at the end of this report, where applicable.

Investment Summary

As of November 24, we are initiating coverage of Thompson Creek Metals Company (TCM–TSX) with a Sector Outperformer rating and a 12- to 18-month price target of $8.65/share based on our hybrid valuation methodology of the average of 0.5x $NAV_{10\%}$ and 7x our 2009 EPS estimate. Our methodology highlights Thompson Creek Metals' long-life, deep-value assemblage of assets and near-term earnings potential. The current pricing of Thompson Creek suggests market valuations at less than half of our $NAV_{10\%}$ calculation for the Thompson Creek Mine. We do not believe the Endako expansion and possible longer-term Davidson development, which offer longer-term growth potential for the company, are incorporated in the current share price.

Thompson Creek is clearly oversold in a period in which new supply is only now beginning to be reviewed. Freeport McMoRan (FCX–NYSE) has recently cut molybdenum (moly) production at Henderson and delayed the Climax re-opening. Surely the timing and economics of the long list of global molybdenum development projects remain in question. We believe Thompson Creek is well positioned to return positive results for shareholders over the next 12 to 18 months.

Valuation Summary

Our equally weighted 0.5x net asset value (NAV) calculation and 7x 2009E EPS valuation is detailed in Exhibit 1 and highlights what we believe is the deep value offered by Thompson Creek.

Exhibit 1. Thompson Creek Valuation Summary

NAV Breakdown By Asset	
Thompson Creek Mine	$1,549,919,658
Endako Mine	949,806,931
Langloth Met Facility	(24,419,532)
Gross Asset Value Thompson Creek Metals	2,475,307,057
Shares Outstanding – Fully Diluted	136,754,000
NAV/Share (US$)	$17.72
NAV/Share (C$)	$20.84
0.5x NAV	$10.42
7x 2009E EPS	$6.77
Price Target	$8.65

Source: Company reports and CIBC World Markets Inc.

Investment Positives

Very Little Debt

Thompson Creek raised $223.4 million net of transaction costs in June 2008 by way of private placement. Of the proceeds, $220 million was used to pay down outstanding long-term debt, leaving a nominal $18.7 million in equipment loans, which break down as follows: $4.7 million at Libor plus $200 million paid off by 2010 and $14 million at a five-year fixed rate of 5.92%.

Current Operations Fully Capitalized

We see no need for the company to tap the equity markets at this time. Cash flow from ongoing operations is ample to fund current debt requirements. We expect Thompson Creek to continually evaluate capex estimates in an effort to conserve cash.

Strength Of Commodity

Although the moly price has begun to drop following weakness across the commodity sector, we believe it will remain healthy, above historical US$4/lb.–US$5/lb. levels. Thompson Creek is likely set for strong margins in the years to come. We believe the current crop of development projects being advanced by other mining companies will experience difficulties in raising needed capital and projects will be delayed, creating greater support for the price of molybdenum moving forward.

Pure-play Producer

Thompson Creek is fully leveraged to the price of moly, which we view as a positive during this time of poor price performance from other metals. Our outlook for molybdenum is strong, as is our outlook for Thompson Creek.

Increasing Transparency In Pricing Structure

Through the creation of a molybdenum contract on the London Metals Exchange (LME), set to commence trading in the second half of 2009, Thompson Creek will have avenues for fixed forward pricing or mitigation of working capital price risk. Thompson Creek processes third-party material and holds significant levels of working capital. With few current processes for price risk management, Thompson Creek is exposed to fluctuations in the metal price, as metal is held as inventories and work in process.

Company Profile

Thompson Creek Metals Company, formerly known as Blue Pearl, is a North American-focused, fully integrated, pure-play molybdenum producer with a suite of assets, including two producing mines (Thompson Creek Mine and Endako), the Langloth metallurgical facility, the Davidson project, and the Mt. Emmons prospect. This profile provides cash flow, operational flexibility with a 100%-owned metallurgical facility, and a pipeline of organic growth potential in both Davidson and Mt. Emmons.

Thompson Creek Mine

The Thompson Creek Mine is located in the state of Idaho, approximately 30 miles southwest of the town of Challis. The state hosts an abundance of mining activity, with over 40 mines in production, predominantly focused on gold and silver.

Exhibit 2. Thompson Creek – Location

Source: Company reports.

Geological Characteristics & Mineralization

- The Thompson Creek orebody is found near the eastern margin of the Idaho Batholith, which intrudes a deformed sequence of Paleozoic sedimentary rocks. Part of the deposit is overlain by Eocene Challis volcanics.

- Dimensions of the deposit are approximately 5,000 ft. northwest-southwest by 2,100 ft. across and 2,500 ft. deep. Oriented in a northwesterly direction, the long axis of the deposit has an elliptical shape.

- A porphyry-type deposit, molybdenum mineralization at the Thompson Creek deposit occurs in stockworks of quartz veins and stringer zones.

 CIBC World Markets

Exhibit 3. Thompson Creek – Reserve & Resource Summary

		Tonnes (000)	Grade %	Lb. (000)
Reserves	Proven	37,900	0.106	88,500
	Probable	57,500	0.095	120,700
	Total P&P	95,400	0.099	209,200
Resources*	Measured	69,600	0.087	133,500
	Indicated	162,500	0.072	258,000
	Total M&I	232,100	0.076	391,500
	Inferred	139,500	0.043	132,200

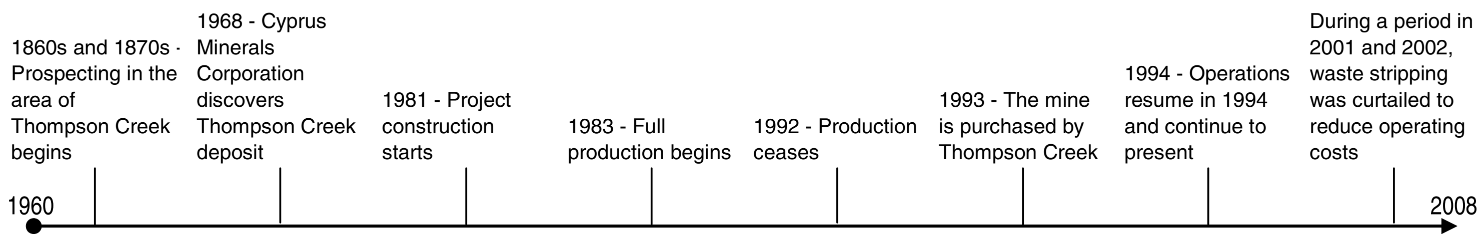
* Resources include reserves.

Source: Company reports and CIBC World Markets Inc.

Project History

Prospecting began in the Thompson Creek deposit area as early as the 1860s but the deposit itself wasn't discovered until 1968 by Cyprus Minerals Corporation. The deposit also has a long production history beginning in 1983.

Exhibit 4. Thompson Creek – Project Timeline



Source: Company reports and CIBC World Markets Inc.

Life-of-mine Plan

Based on reserve and resource estimates as of September 30, 2007, the Thompson Creek Mine is expected to have a minimum mine life of 10 years. These reserve and resource numbers will be re-evaluated with additional drilling in 2008.

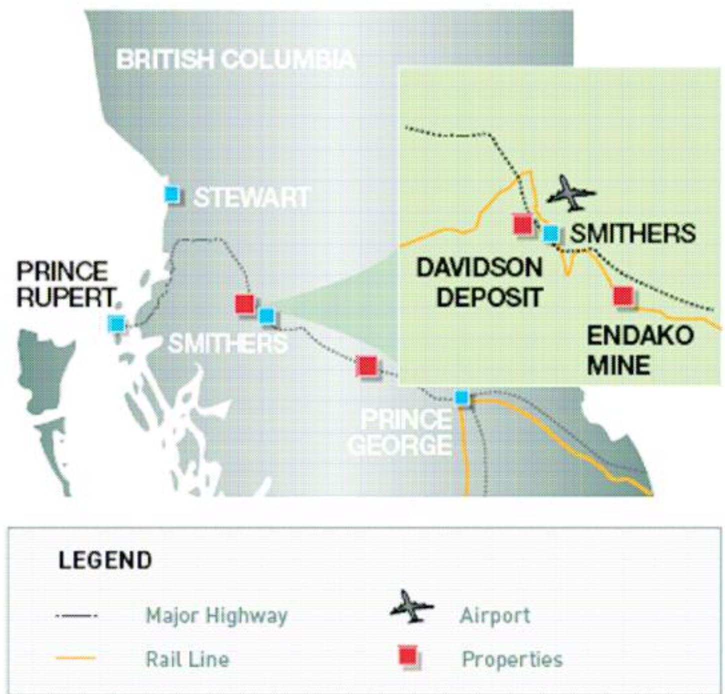
Under the current life-of-mine plan, mine production began October 1, 2007, and will continue until the end of 2018. Average annual production at the mine is expected to be approximately 18.7 million pounds (lb.) of molybdenum at an average mill grade of 0.10% molybdenum. Over the life of the mine, the average recovery rate is expected to be 89.8% with a strip ratio of 2.89 to 1.

Annual maintenance capital costs for the Thompson Creek Mine are estimated to be, on average, $13.8 million. Cumulatively, this number includes $110.9 million for the mine, $17.5 million for the mill, and $11.6 million for administration to be spent over the life of the mine. Average operating costs for the mine are projected to be $10.51 per ton milled.

Endako Mine

The Endako Mine is located on the Nechako Plateau in the province of British Columbia, 190 km west of Prince George. Thompson Creek owns a 75% interest in Endako from a joint venture with Sojitz Moly Resources, Inc. (2768–T), which holds the remaining 25% interest.

Exhibit 5. Endako – Location



Source: Company reports.

Geological Characteristics & Mineralization

- Located within the Francois Lake Batholith, the Endako deposit comprises elongated stockwork of quartz-molybdenite veins formed within quartz monzonite, and felsic, pre-ore dikes.
- Dimensions for the Endako deposit are approximately 350 meters wide by 3,300 meters in a northwesterly direction, hosting a series of major, east-striking, south-dipping veins.
- Mineralization in the porphyry deposit is dominated by molybdenite

Exhibit 6. Endako – Reserve & Resource Summary (75%)

		Tonnes (000)	Grade %	Lb. (000)
Reserves	Proven	96,600	0.051	109,050
	Probable	123,000	0.049	134,250
	Total P&P	219,600	0.050	243,300
Resources*	Measured	103,500	0.050	114,150
	Indicated	265,575	0.040	233,850
	Total M&I	369,075	0.043	348,000
	Inferred	57,150	0.033	42,150

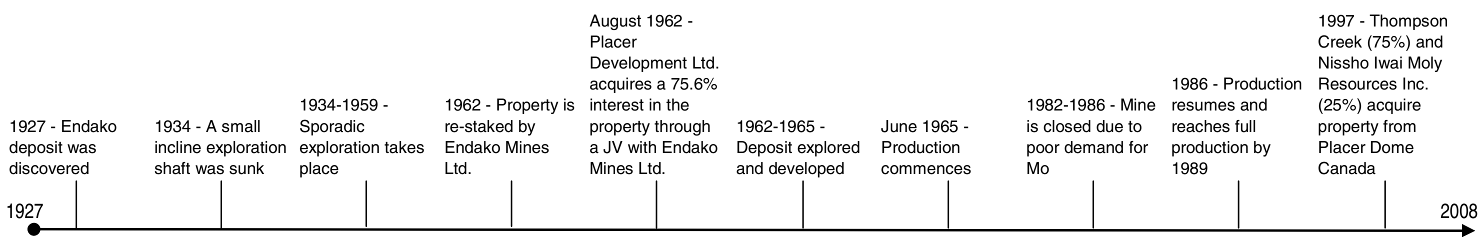
* Resources include reserves.

Source: Company reports and CIBC World Markets Inc.

Project History

Discovered in 1927, the Endako deposit has a long history of exploration and development, and features a production history that exceeds 40 years.

Exhibit 7. Endako – Project Timeline



Source: Company reports and CIBC World Markets Inc.

Expanding Mill Capacity

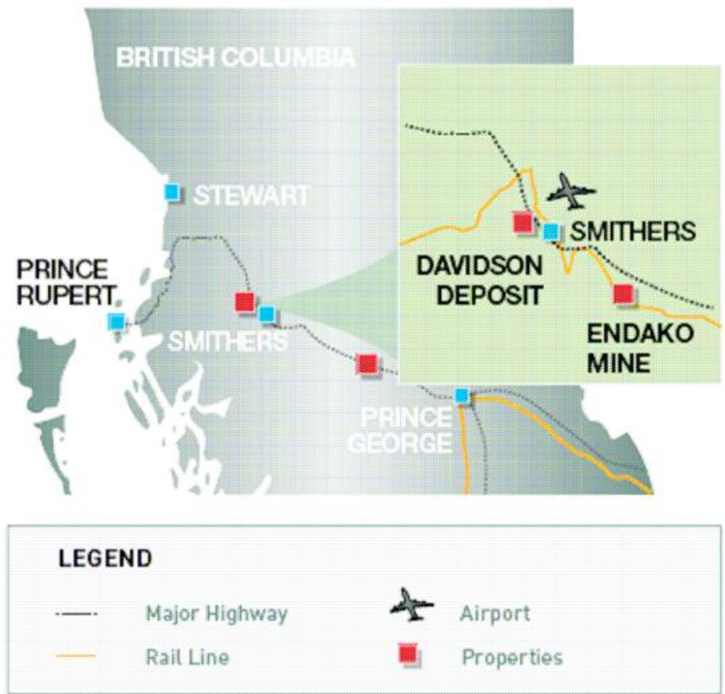
On December 14, 2007, Thompson Creek published a feasibility study that examined the viability of expanding mine production through increasing mill capacity to 50,000 tonnes a day, accompanied by a proportionate increase in roasting capacity. The expansion is expected to truncate the operation's mine life from 27 years to 17.

Capital costs for the Endako expansion are projected to total $373.6 million. It is expected that the expanded operation will contribute to a cost reduction of $1.30 per tonne, from $7.71 to $6.41 per tonne of ore milled.

Davidson Project

The Davidson Project is located on the east side of Hudson Bay Mountain, 9 km northwest of Smithers in west-central British Columbia, with the deposit found 300 meters to 450 meters below ground.

Exhibit 8. Davidson – Location



Source: Company reports.

Geological Characteristics & Mineralization

- Beneath Hudson Bay Mountain lie volcanic rocks, mainly of the Hazleton Group, and resting over the volcanic rocks on the northeastern side of the mountain are generally sandy sediments assigned to the Skeena Group.
- The Davidson deposit is a porphyry molybdenum deposit that exhibits similarities to Freeport McMoRan's Climax molybdenum deposit in Colorado, such as high grade.

Exhibit 9. Davidson – Reserve & Resource Summary

		Tonnes (000)	Grade %	Lb. (000)
Reserves	Proven	6,600	0.268	38,900
	Probable	719	0.238	3,800
	Total P&P	7,319	0.265	42,700
Resources*	Measured	45,900	0.180	182,000
	Indicated	31,300	0.154	106,000
	Total M&I	77,200	0.169	288,000

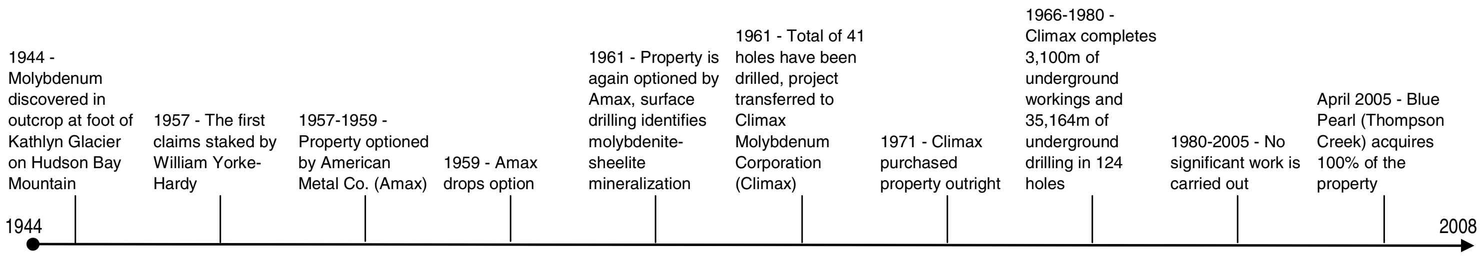
* Resources includes reserves.

Source: Company reports and CIBC World Markets Inc.

Project History

Over the years, the Davidson Project has assumed various names, including Hudson Bay Mountain, Glacier Gulch, and Yorke-Hardy. The property has been explored intensively during its history and has generated several mineral resource estimates, all with similar findings.

Exhibit 10. Davidson – Project Timeline



Source: Company reports and CIBC World Markets Inc.

Feasibility Study

On April 2, 2008, Thompson Creek announced the results of its feasibility study, which evaluated the potential of mining 2,000 tonnes of molybdenum-containing ore for a mine life of 10 years. This ore would then be transported 200 km to the Endako processing facility. The feasibility study focused on a small, high-grade operation, which may not be the optimal scenario. In-depth analysis is required to determine the optimal scenario for all stakeholders. There exists the potential for Davidson to be a much larger operation than outlined in the current feasibility study.

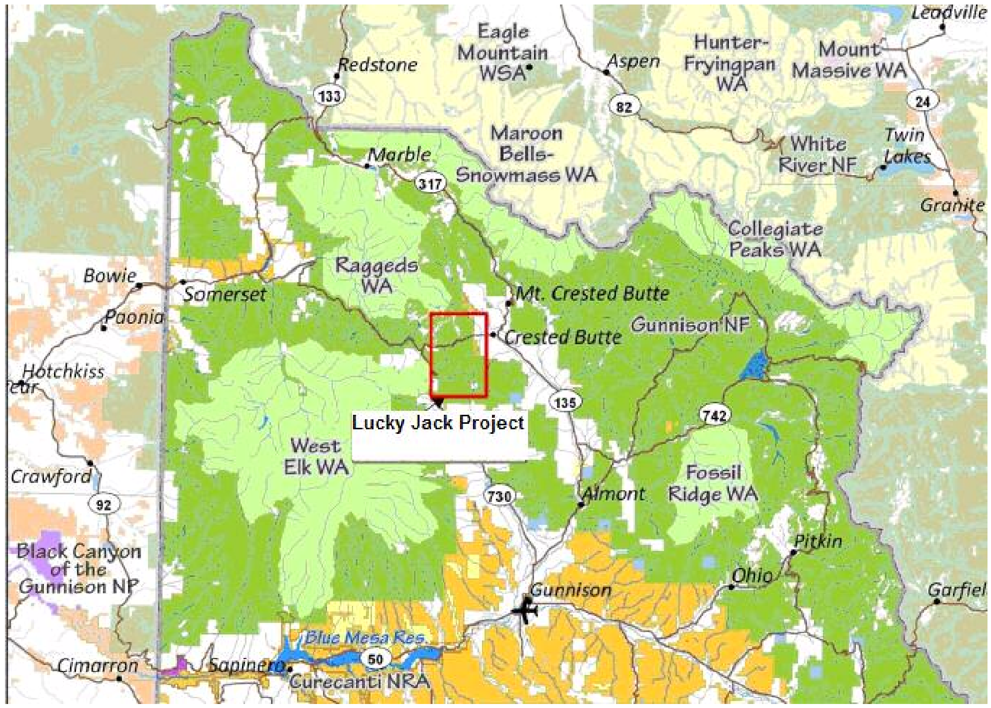
Annual production is anticipated to be approximately 4.5 million lb. to 5.0 million lb. of molybdenum. The average grade is estimated to be 0.265% molybdenum.

Initial capital costs for the Davidson Project are estimated to be \$109 million. Operating costs from the study indicate \$54.40 per tonne of ore milled (inclusive of milling and roasting costs at Endako).

Mount Emmons (Lucky Jack) Project

The Mount Emmons (Lucky Jack) Project is located in Gunnison County three miles northwest of Crested Butte, Colorado. Approximating an area of about 5,400 acres, the Mount Emmons Project is wholly owned by U.S. Energy Corp. (USEG–NASDAQ).

Exhibit 11. Mount Emmons (Lucky Jack) – Location



Source: Company reports.

Exhibit 12. Mount Emmons (Lucky Jack) – Historical Reserve & Resource Summary

Based On 1998 Mineral Resource Estimate

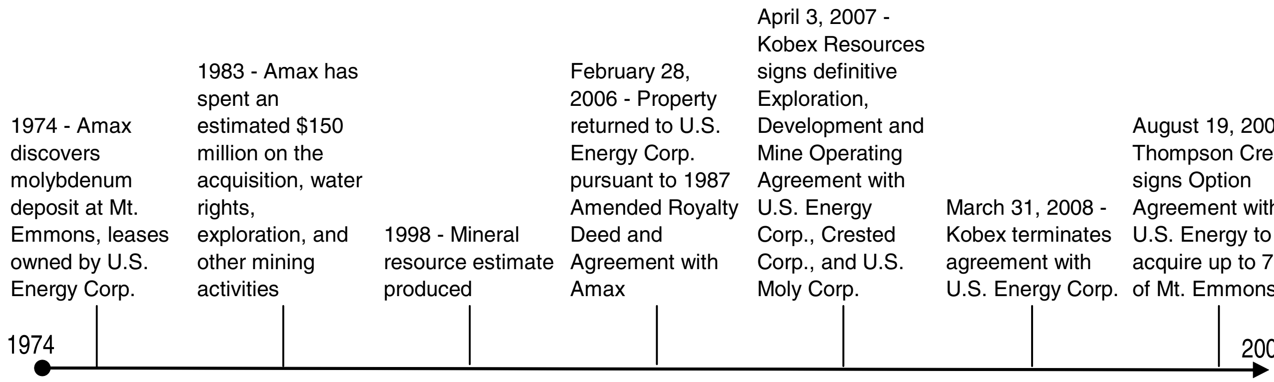
	Tonnes (000)	Grade %	Lb. (000)
Resources	151,186	0.228	759,942

Source: Company reports and CIBC World Markets Inc.

Project History

The property was renamed the Lucky Jack prospect in 2006 when the property was re-acquired by U.S. Energy Corp. Extensive exploratory work has been done on the project from the time of discovery to its re-acquisition, including $150 million spent by Amax.

Exhibit 13. Mount Emmons (Lucky Jack) – Project Timeline



Source: Company reports and CIBC World Markets Inc.

Transaction Details

On August 19, 2008, Thompson Creek announced the signing of an Option Agreement with U.S. Energy Corp to acquire up to 75% of the property. By the terms of the agreement, Thompson Creek paid $500,000 upon signing, and will make six annual payments of $1 million from January 1, 2009, to January 1, 2014, unless the Agreement is broken sooner.

Under the Agreement, Thompson Creek can earn different levels of interest in the Mount Emmons Project depending on its contributed project expenditures.

Exhibit 14. Option Agreement Breakdown

Project Expenditure (Cumulative)	Earned Interest
$15 Million By June 30, 2011	15%
$50 Million By July 31, 2018	50%

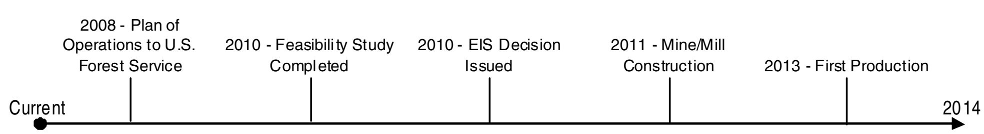
After obtaining 50% interest, Thompson Creek can:

1) undertake a 50-50 JV with U.S. Energy Corp.; or,

2) incur an additional $350 million in project expenditures to earn a 75% interest.

Source: Company reports and CIBC World Markets Inc.

Exhibit 15. Mount Emmons (Lucky Jack) – Possible Timeline



Source: Company reports and CIBC World Markets Inc.

Growth And Outlook

Thompson Creek has assembled two operating mines and two development projects at different stages. The Thompson Creek Mine represents current cash flow; Endako offers current cash flow with upside growth potential through the ongoing mill expansion; Davidson is a near-term producer waiting for stronger market conditions; and, Mt. Emmons offers "blue sky" long-term potential and possible extremely low-cost production. Prioritizing the development of the projects and using cash flow for organic growth will limit dilution and establish the company for growth over the longer term.

Valuation

Net Asset Value

In Exhibit 17 we outline our NAV calculation for the Thompson Creek assets using a 10% discount rate and our molybdenum price deck (see Exhibit 16). Our NAV approach is highly dependant on our price assumptions for molybdenum and the assigned discount rate. Our valuation does not assign value to the Davidson or Mt. Emmons projects at this time as their paths forward are not clearly defined. We will review Davidson and Mt. Emmons as their development continues. We believe the assemblage of producing assets plus upside potential from existing projects offers the prospect of deep value and positive returns to Thompson Creek shareholders.

Exhibit 16. Molybdenum Price Deck

	2008E	2009E	2010E	2011E	2012E	Long Term
Moly Oxide (US$)	$28.00	$10.00	$12.00	$15.00	$15.00	$12.00

Source: CIBC World Markets Inc.

Exhibit 17. Thompson Creek – NAV Calculation

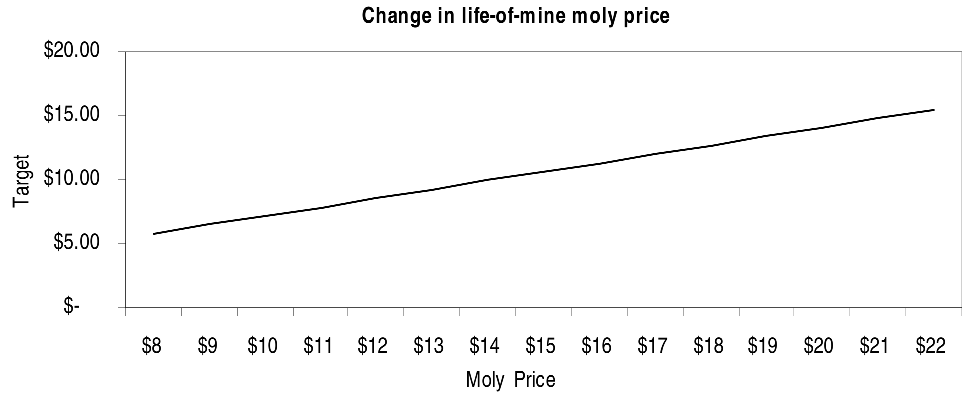
NAV Breakdown By Asset	
Thompson Creek Mine	$1,549,919,658
Endako Mine	$949,806,931
Langloth Met Facility	($24,419,532)
Gross Asset Value Thompson Creek Metals Co.	$2,475,307,057

Source: Company reports and CIBC World Markets Inc

Target Sensitivity Analysis

Our life-of-mine molybdenum price is $12.52/lb. Exhibit 18 outlines how our price target would vary with changes to the life-of-mine molybdenum price. Thompson Creek is highly leveraged to any changes in the molybdenum price through the life of the assets.

Exhibit 18. Target Sensitivity To Molybdenum Price Change



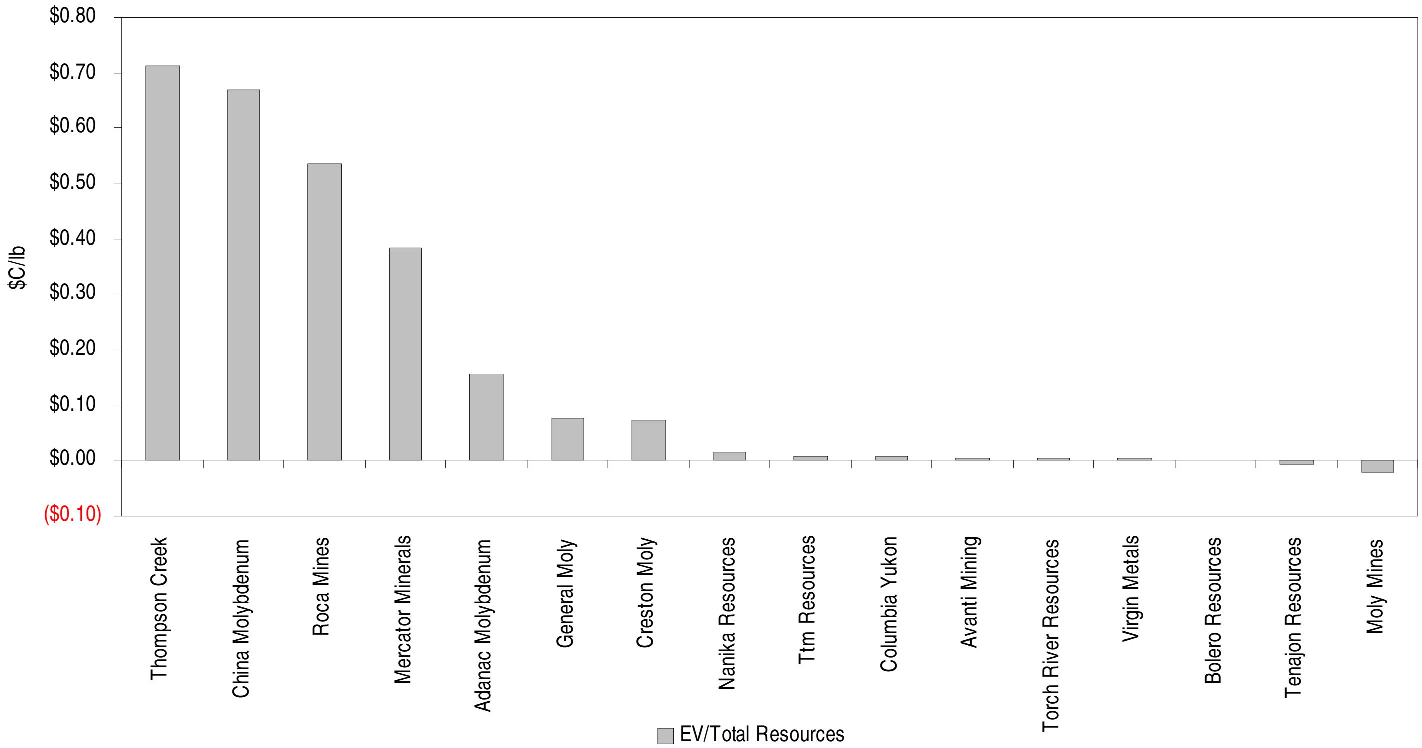
Source: CIBC World Markets Inc.

Comparative Analysis

Relative Valuation – EV/lb. Moly In Resource Base

From a pounds-in-the-ground perspective, Thompson Creek is trading at approximately $0.70/lb. of molybdenum in various resource categories. We downplay the importance of this valuation methodology as current market conditions mean many explorer- and development-stage companies are trading at or below current cash reserve levels, skewing the results of this comparative analysis.

Exhibit 19. EV/lb. Moly Resource Base



Source: Company reports and CIBC World Markets Inc.

Thompson Creek – Compared To Base Metals-focused Companies Under Coverage

Copper and molybdenum are often found in similar environments and, therefore, have similar mining and operating costs. For this reason, we thought it appropriate to compare the molybdenum-focused companies under coverage to the copper companies within our coverage universe.

Exhibit 20. Comparative Analysis To Our Base Metals Coverage Universe

Coverage Summary

	Symbol	Price	Analyst	Shs O/S	Float	Mk Cap $ Mln	Float $ Mln	EV $ Mln	Dividend	Yield	BVPS	P/BV	Net Debt	ND/ND+E	NAV	P/NAV
Copper																
Augusta	AZC	C$1.00	CH	88.7	70.5	89	70	107	C$0.00	0.0%	US$0.94	1.08x	0	0.00x	C$6.73	0.15x
Chariot	CHD	C$0.07	CH	328.3	258.8	23	18	-2	C$0.00	0.0%	US$0.93	0.23x	18	0.18x	C$0.89	0.08x
Equinox	EQN	C$1.08	CH	593.0	493.7	640	533	1,142	C$0.00	0.0%	US$0.77	1.09x	473	1.00x	C$3.48	0.31x
First Quantum	FM	C$13.63	CH	68.7	66.4	937	904	1,416	C$0.52	3.8%	US$25.98	0.40x	107	0.19x	C$71.47	0.19x
Nickel																
FNX	FNX	C$2.30	CH	84.9	83.6	195	192	44	C$0.00	0.0%	C$8.88	0.26x	(151)	-0.24x	C$17.71	0.13x
Zinc																
Breakwater	BWR	C$0.07	CH	446.5	330.3	31	23	-11	C$0.00	0.0%	C$0.87	0.08x	(42)	-0.06x	C$0.17	0.38x
Horsehead	ZINC	US$2.53	CH	35.3	33.4	89	85	9	US$0.00	0.0%	US$7.91	0.32x	(80)	-0.43x	US$6.15	0.41x
Diversified and Other																
Cameco	CCO	C$15.46	CH	365.7	365.0	5,653	5,642	7,429	C$0.24	1.6%	C$9.19	1.68x	1,112	0.80x	C$18.06	0.86x
HudBay	HBM	C$5.23	CH	153.0	152.3	800	796	-44	C$0.00	0.0%	C$9.71	0.51x	(729)	-0.28x	C$9.91	0.53x
Inmet Mining	IMN	C$14.85	CH	48.3	42.5	717	631	546	C$0.20	1.3%	C$10.16	0.42x	(844)	-1.04x	C$40.22	0.37x
Lundin	LUN	C$1.01	CH	390.4	327.9	394	331	601	C$0.00	0.0%	US$8.07	0.10x	195	0.10x	C$8.62	0.12x
Sherritt	S	C$2.10	CH	292.0	290.5	613	610	3,419	C$0.14	6.9%	C$13.68	0.15x	1,403	0.27x	C$7.98	0.26x
Teck Cominco	TCK.B	C$4.10	CH	477.6	474.6	2,044	1,975	2,411	C$0.00	0.0%	C$20.21	0.20x	-	0.00x	C$33.75	0.12x
Special Situation																
Fortune	FT	C$0.50	CH	55.6	46.0	27	23	13	C$0.00	0.0%	C$1.65	0.30x	291	0.03x		
Polaris	PLS	C$1.80	CH	37.6	35.0	68	63	65	C$0.00	0.0%	US$3.39	0.41x	(4)	-0.03x	C$3.75	0.47x
Molybdenum																
Thompson Creek	TCM	C$3.27	IP	122.7	120.5	401	394	163	US$0.00	0.0%	US$7.27	0.35x	(147)	-0.22x	C$20.84	0.16x
General Moly	GMO	US$1.04	IP	71.8	54.8	74	57	91	US$0.00	0.0%	US$1.63	0.49x	(84)	-0.10x	US$3.0	0.35x
Mercator Minerals	ML	C$0.35	IP	74.8	73.0	26	26	125	US$0.00	0.0%	US$0.86	0.34x	52	0.45x	C$4.00	0.09x

Earnings & Cash Flow

	Price	Analyst		EPS 2008E	EPS 2009E	EPS 2010E	P/E 2008E	P/E 2009E	P/E 2010E	CFPS 2008E	CFPS 2009E	CFPS 2010E	P/CF 2008E	P/CF 2009E	P/CF 2010E
Copper															
Augusta	C$1.00	CH	C$	$0.00	$0.04	$0.06	NEG	25.0x	16.7x	$0.00	$0.04	$0.06	NEG	25.0x	16.7x
Chariot	C$0.07	CH	C$	$0.00	$0.00	($0.01)	NEG	NEG	NEG	$0.00	$0.00	($0.01)	NEG	NEG	NEG
Equinox	C$1.08	CH	US$	($0.07)	$0.32	$0.46	NEG	2.6x	1.8x	($0.06)	$0.50	$0.68	NEG	1.7x	1.2x
First Quantum	C$13.63	CH	US$	$9.24	$1.84	$4.03	1.1x	5.7x	2.6x	$12.25	$3.72	$6.57	0.9x	2.8x	1.6x
Nickel															
FNX	C$2.30	CH	C$	$0.21	$0.38	$1.38	11.0x	6.1x	1.7x	$0.89	$1.33	$2.61	2.6x	1.7x	0.9x
Zinc															
Breakwater	C$0.07	CH	C$	($0.03)	($0.05)	($0.02)	NEG	NEG	NEG	$0.03	($0.02)	$0.02	2.2x	NEG	3.3x
Horsehead	US$2.53	CH	US$	$0.11	($0.06)	($0.40)	23.0x	NEG	NEG	$0.45	$0.36	$0.21	5.6x	7.0x	12.0x
Diversified and Other															
Cameco	C$15.46	CH	C$	$1.77	$1.38	$1.75	8.7x	11.2x	8.8x	$2.42	$2.02	$2.56	6.4x	7.7x	6.0x
HudBay	C$5.23	CH	C$	$0.74	$0.20	$0.49	7.1x	26.2x	10.7x	$1.46	$0.75	$0.94	3.6x	7.0x	5.6x
Inmet Mining	C$14.85	CH	C$	$6.84	$5.43	$4.77	2.2x	2.7x	3.1x	$7.58	$7.28	$6.46	2.0x	2.0x	2.3x
Lundin	C$1.01	CH	US$	$0.37	($0.23)	$0.15	2.1x	NEG	5.2x	$0.91	$0.32	$0.74	0.9x	2.4x	1.1x
Sherritt	C$2.10	CH	C$	$0.95	$0.57	$0.83	2.2x	3.7x	2.5x	$1.87	$1.59	$1.89	1.1x	1.3x	1.1x
Teck Cominco	C$4.10	CH	C$	$3.70	$4.74	$4.26	1.1x	0.9x	1.0x	$5.48	$7.46	$6.80	0.7x	0.5x	0.6x
Special Situation															
Fortune	C$0.50	CH													
Polaris	C$1.80	CH	US$	($0.20)	($0.19)	($0.10)	NEG	NEG	NEG	($0.01)	($0.06)	$0.03	NEG	NEG	45.0x
Molybdenum															
Thompson Creek	C$3.27	IP	US$	$1.98	$0.84	$1.41	1.7x	3.9x	2.3x	$2.19	$1.41	$2.07	1.5x	2.3x	1.6x
General Moly	US$1.04	IP	US$	($0.21)	($0.26)	($0.26)	-4.9x	-4.0x	-4.0x	($0.11)	($0.07)	($0.07)	-9.4x	-14.8x	-14.8x
Mercator Minerals	C$0.35	IP	US$	($0.36)	$0.04	$0.82	-1.0x	8.8x	0.4x	($1.27)	($0.10)	$0.87	-0.3x	-3.5x	0.4x

Source: Bloomberg, CIBC World Markets.

Cliff Hale-Sanders, CFA
Ian Parkinson,
Terry Tsui, CFA

Investment Summary

Thompson Creek is a major producer of molybdenum and its market position is likely to grow over the next few years. We foresee deep value across the company's entire suite of assets and anticipate the price of molybdenum remaining above historical prices. We have used in our valuation a conservative commodity price deck. Should a change in outlook arise for Davidson or Mt. Emmons, we will re-evaluate our price target and calculation methodology.

Investment in Thompson Creek at this time offers an opportunity to buy shares of the company at a level less than 50% of our estimated NAV of the Thompson Creek Mine. Endako, Davidson and Mt. Emmons are essentially free given the current market valuation.

Price Target Calculation

As of November 24, we are initiating coverage of Thompson Creek Metals Company with a Sector Outperformer rating and a 12- to 18-month price target of $8.65 per share based on 0.5x our $NAV_{10\%}$ calculation of the current operating assets and 7x our 2009 earnings per share estimate. We have not assigned value to the Davidson or Mt. Emmons assets at this time.

Key Risks To Price Target

Deeper-than-expected Economic Downturn

It has been well documented that the world is facing economic hardship. If the current economic situation worsens and sustains a longer-than-expected downturn, demand for all molybdenum-consuming end-products will be affected. We view this risk as modest.

Operating Cost Creep

As is the case with any mining project, Thompson Creek's operations are exposed to fluctuations in operating costs over the life of the mine. We have attempted to compensate for this in our valuation, but there remains a risk that input prices will increase, rendering either of the mines less economic. Key inputs include diesel, electricity and labor. Energy accounts for approximately 70% of operating costs. Escalation in any of these costs greater than our assumptions will negatively impact Thompson Creek. We view this risk as modest.

Price Risk

Being a single-commodity-focused company, Thompson Creek's performance is fully tied to the molybdenum price. We believe the moly price will remain at levels capable of producing solid margins for Thompson Creek, but should the molybdenum price collapse, Thompson Creek has no other revenue source. We view this risk as modest.

Public Rejection Of Increased Atomic Power Generation

We believe demand for molybdenum is tied to increasing usage of atomic power, especially in emerging markets. This growth in atomic power usage is tied to its public acceptance as a legitimate and safe source of power. If this public license is not forthcoming, demand for molybdenum will be impacted. We view this risk as minimal.

Structural Shift Away From Use Of Oil And Gas

We believe that the demand for moly is closely tied to oil and gas demand. If there is a sustained structural shift from oil and gas usage towards other forms of energy, demand for molybdenum will be impacted. We view this risk as minimal.

Summary Financial Statements

Our summary financial statements for Thomson Creek, shown in Exhibits 21 through 23, reflect our assumptions for the base case used in our valuation in this report and should be viewed only as preliminary. Uncertainty remains concerning project timing and funding.

Exhibit 21. Thompson Creek – Pro Forma Income Statement (US$)

Year Ending	Dec. 31, 2007	Q4/2008E	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E
Moly Price Assumption (/lb.)	$27.69	$22.00	$28.00	$10.00	$12.00
Revenue					
Molybdenum Oxide Sales	891,101,000	219,200,000	1,035,814,000	385,707,817	503,262,324
Tolling Revenue	23,301,000	2,670,000	16,070,000	5,625,454	3,047,868
Total Revenue	**914,402,000**	**221,870,000**	**1,035,814,000**	**385,707,817**	**503,262,324**
Operating Expenses	**554,488,000**	**108,178,000**	**555,678,000**	**111,294,938**	**99,867,824**
Selling And Marketing Expense	9,042,000	2,598,000	10,598,000	8,871,823	8,859,327
Depreciation Depletion And Amortization	48,174,000	15,103,400	46,303,400	73,248,149	84,497,863
Accretion	1,670,000		1,400,000	-	-
Total Cost Of Goods Sold	**613,374,000**	**125,879,400**	**613,979,400**	**193,414,910**	**193,225,015**
Income From Mining And Processing	**301,028,000**	**95,990,600**	**421,834,600**	**192,292,907**	**310,037,309**
Other Costs And Expenses					
General And Administrative	15,869,000	5,700,000	21,400,000	20,000,000	20,000,000
Exploration And Development	4,585,000	500,000	3,000,000	5,000,000	9,700,000
Interest And Finance Fees	42,411,000	7,500,000	22,400,000	500,000	-
Stock-based Compensation	16,306,000	-	13,000,000	-	-
Interest Income	(7,783,000)	(800,000)	(3,100,000)	(3,100,000)	(3,100,000)
Other Gain Or Loss	1,327,000	-	(5,900,000)	-	-
Total Other Costs	**72,715,000**	**12,900,000**	**50,800,000**	**25,500,000**	**29,700,000**
Income (Loss) Before Taxes	**228,313,000**	**83,090,600**	**371,034,600**	**166,792,907**	**280,337,309**
Current Income Tax	**103,070,000**	**25,758,086**	**115,020,726**	**51,705,801**	**86,904,566**
Future Income Tax	**(32,104,000)**	**-**	**-**	**-**	**-**
Net Income (Loss) For Period	157,347,000	57,332,514	256,013,874	115,087,106	193,432,743

Source: Company reports and CIBC World Markets Inc.

CIBC World Markets

Exhibit 22. Thompson Creek – Pro Forma Cash Flow Statement (US$)

Year Ending	Dec. 31, 2007	Q4/2008E	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E
Operating Activities					
Net Income (Loss) For The Year	$157,347,000	$57,332,514	$256,013,874	$115,087,106	$193,432,743
Reclamation Expense	(82,000)	(81,996)	(81,995)	(81,994)	(81,993)
Add Items Not Impacting Cash					
Depreciation, Depletion And Amortization	48,174,000	15,103,400	46,303,400	73,248,149	84,497,863
Accretion	1,670,000	-	1,400,000	-	-
Amortization Of Finance Fees	7,831,000	-	-	-	-
Stock-based Compensation	16,306,000	-	13,000,000	-	-
Future Income And Mining Taxes	(32,104,000)	-	-	-	-
Unrealized Loss On Derivative Instrument	4,837,000	4,837,000	4,837,000	4,837,000	4,837,000
Change In Non-cash Working Capital	(21,428,000)	(15,100,000)	(21,428,000)	-	-
Cash Generated By Operating Activities	182,551,000	62,090,918	300,044,279	193,090,261	282,685,613
Investing Activities					
Property Plant And Equipment	(14,593,000)	(25,000,000)	(79,700,000)	(105,000,000)	(105,000,000)
Deferred Stripping Costs	(34,174,000)	(8,000,000)	(28,700,000)	(28,700,000)	(28,700,000)
Acquisitions Net Of Cash Acquired	-		(100,000,000)	-	-
Restricted Cash	(1,620,000)	-	-	-	-
Reclamation Deposit	(2,846,000)	(300,000)	(1,000,000)	(2,000,000)	(3,000,000)
Cash Used In Investing Activities	(53,233,000)	(33,300,000)	(209,400,000)	(135,700,000)	(136,700,000)
Financing Activities					
Proceeds From Issuance Of Stock	50,848,000	-	233,800,000	-	-
Repayment Of Long-term Debt	(168,216,000)	(1,200,000)	(239,400,000)	(3,100,000)	(3,100,000)
Proceeds From Issuance Of Long-term Debt	-	-	-	-	-
Debt Issue Costs	-	-	-	-	-
Cash From Financing Activities	(117,368,000)	(1,200,000)	(5,600,000)	(3,100,000)	(3,100,000)
Effect Of Exchange Rate Changes On Cash	3,683,000				
Increase (Decrease) In Cash And Cash Equivalents	**11,950,000**	**27,590,918**	**27,590,918**	**54,290,261**	**142,885,613**
Cash And Cash Equivalents, Beginning Of Period	**98,059,000**	**151,700,000**	**113,692,000**	**198,736,279**	**253,026,540**
Cash And Cash Equivalents, End Of Period	113,692,000	179,290,918	198,736,279	253,026,540	395,912,153

Source: Company reports and CIBC World Markets Inc.

Exhibit 23. Thompson Creek – Pro Forma Balance Sheet (US$)

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E
Current Assets				
Cash And Cash Equivalents	$113,692,000	$198,736,279	$256,126,540	$402,112,153
Accounts Receivable	84,128,000	168,300,000	168,300,000	168,300,000
Inventory	131,272,000	90,500,000	46,303,400	73,248,149
Material Supplies Inventory	32,899,000	37,300,000	37,300,000	37,300,000
Prepaid Expense	4,614,000	2,600,000	2,600,000	2,600,000
Recoverable Income Taxes	13,410,000	-	-	-
Total Current Assets	**380,015,000**	**497,436,279**	**507,529,940**	**677,360,302**
Property Plant And Equipment	566,791,000	603,700,000	609,396,600	588,148,451
Other Assets Including Goodwill	136,065,000	161,500,000	-	-
Reclamation Bond	26,851,000	27,851,000	29,851,000	32,851,000
Total Assets	**1,109,722,000**	**1,290,487,279**	**1,146,77,540**	**1,298,359,753**
Current Liabilities				
Accounts Payable And Accrued Liabilities	60,428,000	69,900,000	69,900,000	69,900,000
Acquisition Costs Payable	100,000,000	-	-	-
Post-closure Provisions	90,000	90,000	90,000	90,000
Income And Mining Taxes Payable	6,370,000	21,800,000	-	-
Current Portion Of Long-term Debt	67,242,000	3,100,000	3,100,000	3,100,000
Total Current Liabilities	**234,130,000**	**94,890,000**	**73,090,000**	**73,090,000**
Long-term Liabilities	170,178,000	1,600,000	-	-
Other Liabilities	217,862,000	209,800,000	209,800,000	209,800,000
Total Liabilities	**622,170,000**	**306,200,000**	**298,490,000**	**295,390,000**
Shareholders' Equity				
Total Shareholders' Equity	**487,642,000**	**909,400,000**	**848,287,540**	**1,002,969,753**
Total Liabilities And Shareholders' Equity	**1,109,812,000**	**1,290,487,279**	**1,146,777,540**	**1,298,359,753**

Source: Company reports and CIBC World Markets Inc.

Appendix I. Management Team

Kevin Loughrey, Chairman And Chief Executive Officer

Mr. Loughrey has served in his current position since January 1, 2008, and previously as President and Chief Executive Officer of Thompson Creek Metals Company. Before the acquisition of Thompson Creek Metals Company USA in October 2006, Mr. Loughrey was President of Thompson Creek Metals Company USA. During the Thompson Creek acquisition, Mr. Loughrey represented Thompson Creek shareholders as chief negotiator. Other positions Mr. Loughrey has held include Senior Vice-President and General Counsel for First Dynasty Mines Ltd. and Cyprus Amax Minerals Company.

Ian J. McDonald, Vice-Chairman

Mr. McDonald has held several positions with Thompson Creek Metals Company since February 2005, including Executive Chairman, Chairman, President and Chief Executive Officer. He has been Chairman of the Board for Glencairn Gold Corporation and Chairman and Chief Executive Officer of Wheaton River Minerals.

Pamela L. Saxton, Chief Financial Officer And Vice-President, Finance

Ms. Saxton joined Thompson Creek Metals Company on August 4, 2008, and later became Chief Financial Officer and Vice-President, Finance on October 16, 2008, concurrent with the relocation of the company finance department from Vancouver, British Columbia, to its offices in Denver, Colorado. Ms. Saxton has in excess of 30 years of experience in both domestic and international finance as well as accounting within and outside the mining industry. She has served in a broad range of roles, with two of her more recent positions being Vice-President, Finance – U.S. Operations for Franco-Nevada U.S. Corporation, and Vice-President and Chief Financial Officer of NewWest Gold Corporation.

Kenneth W. Collision, Chief Operating Officer

Prior to joining Thompson Creek Metals Company, Mr. Collision served as Engineering Manager for the State of Alaska’s Transportation Department. Other mining roles Mr. Collision has held include Vice-President and General Manager for Coeur d’Alene Mines (Alaska), Vice-President of Crandon Mining Corp., and President of Rio Kemptville Tin Company. Mr. Collision holds a B.Sc. in Mining Engineering and a Masters of Engineering in Mining from the University of Saskatchewan.

Peter N. Tredger, Vice-President, Special Projects

Mr. Tredger has been a senior officer of Thompson Creek Metals Company since 2004. A professional engineer, he has over 35 years of mining experience, and has held senior management positions at Glencairn Gold Corporation and Wheaton River Minerals Ltd., and worked as an independent mining consultant, employed by Amax Inc. in various technical and managerial roles.

Mark Wilson, Vice-President, Sales And Marketing

With over 20 years in the mining industry, Mr. Wilson has been with Thompson Creek Metals Company since 2005, prior to which he consulted for Climax Molybdenum Company, and served as President, Chief Executive Officer and Chief Financial Officer for Goldbelt Resources Ltd. Earlier, he held the role of Vice-President of Business Development and Manager of Molybdenum Marketing with Cyprus Amax Minerals Company. Mr. Wilson holds a B.S. in Geology and Geophysics from Yale University and a M.A. in Law and Diplomacy from the Fletcher School of Law and Diplomacy.

Bruce R. Wright, Vice-President, Development

Mr. Wright joined Thompson Creek Metals Company in May 1995 and has served as Vice-President of Development since May 2007. Prior roles held by Mr. Wright include Manager of Business and Project Development for Cyprus Amax Minerals Company, Assistant to the President of Cyprus Foote Minerals Company, and Vice-President and General Manager of Beryllium Development for Cyprus Metals Company. Additionally, Mr. Wright has worked for Amoco Minerals Company and Cyprus Minerals Company in various capacities. Mr. Wright graduated from Montana School of Mines with a metallurgical engineering degree and an M.B.A. from Arizona State University.

Our EPS estimates are shown below:

	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Yearly
2008 Current	US$0.37A	US$0.45A	US$0.74A	US$0.42E	US$1.98E
2009 Current	--	--	--	--	US$0.84E
2010 Current	--	--	--	--	US$1.41E

CIBC World Markets

Equity Research
Initiating Coverage

November 24, 2008

Metals & Minerals

Mercator Minerals Ltd.

Initiating Coverage Of An Emerging Copper And Molybdenum Story

Stock Rating:
Sector Performer

Sector Weighting:
Market Weight

12-18 mo. Price Target	$1.20
ML-TSX (11/21/08)	$0.38

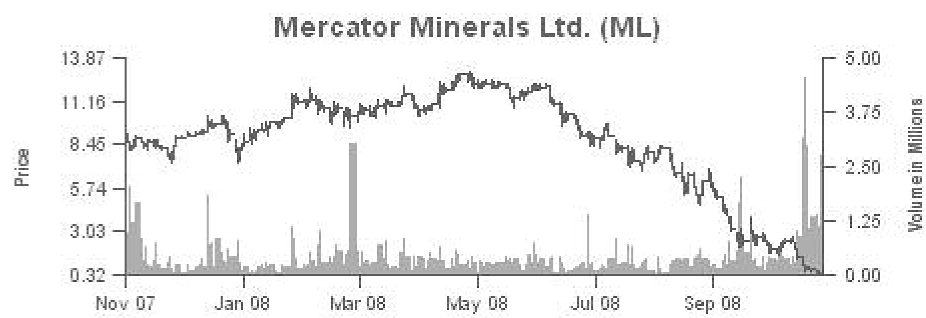
Key Indices: None

3-5-Yr. EPS Gr. Rate (E)	NM
52-week Range	$0.30-$12.94
Shares Outstanding	74.8M
Float	73.0M Shrs
Avg. Daily Trading Vol.	450,000
Market Capitalization	US$22.2M
Dividend/Div Yield	Nil / Nil
Fiscal Year Ends	December
Book Value	US$0.80 per Shr
2008 ROE (E)	NM
LT Debt	US$118.7M
Preferred	Nil
Common Equity	US$59.9M
Convertible Available	No

Earnings per Share	Prev	Current
2008		(US$0.36E)
2009		US$0.04E
2010		US$0.82E
P/E		
2008		NM
2009		7.4x
2010		0.4x

- As of November 24, we initiate coverage of Mercator Minerals with a Sector Performer rating and a 12- to 18-month price target of $1.20. The company is an imminent producer with production set to commence in Q4/2008 in mining-friendly Arizona.
- Mercator will produce copper and molybdenum, commodities that we believe will outperform the remaining base metals complex in the near term. We expect Mercator to generate $65 million or $0.87/share in free cash flow in 2010.
- Low start-up costs associated with reopening a past producer have limited the capital required for construction. The resource's ample size (at over 2.7 billion lb. of copper and 986 million lb. of molybdenum) allows Mercator to focus its efforts on start-up and not exploration, conserving cash.
- We expect the molybdenum price to recover when global economic conditions improve. Delayed new supply should cause the moly price to rebound from current lows. Mercator is well positioned for any improvement in the prices of molybdenum or copper.

Stock Price Performance



Source: Reuters

All figures in Canadian dollars, unless otherwise stated.(C$1.283:US$1)

08-92594 © 2008

Company Description
Mercator Minerals is focused on re-starting the Mineral Park mine in Arizona and is staged to produce 43 mln. lb. of Cu and 5.9 mln. lb. of Mo in 2009.

www.mercatorminerals.com

Ian Parkinson
1 (416) 956-6169
ian.parkinson@cibc.ca

Investment Summary

As of November 24, we are initiating coverage of Mercator Minerals (ML–TSX) with a Sector Performer rating and a 12- to 18-month price target of $1.20 per share. Mercator is transitioning from a project development-stage story to a cash flow-generating story. As the market continues to seek direction, we believe cash flow-generating, well-financed entities will be the first to rebound.

We continue to use what we believe are conservative price forecasts for molybdenum (moly) and copper. Metals forecasts for 2009 are drastically lower than those for 2007 and 2008. Using our metals price forecast, Mercator should be cash flow positive in 2010. We view Mercator as a longer-term growth story, well positioned for a recovery in metals prices, as is expected in 2010.

Mineral Park

Poised for cash flow, the Phase 1 expansion of Mineral Park production has begun and the company will continue the commissioning of Phase 2 into 2009. Construction is fully financed and capital requirements are well defined. As commodity prices improve, Mercator is well positioned to generate above-market-performance returns for shareholders. Mineral Park is leveraged to both molybdenum and copper, two of our favorite metals over the near term.

Exhibit 1. Mercator Minerals – NAV And Price Target Calculation

NAV	$281,993,402
NAV Per Share (US$)	$3.30
NAV Per Share (C$)	$4.00
Target 30% NAV	$1.20
Current Share Price	$0.38

Source: CIBC World Markets Inc.

Near-term Catalysts

Commencement Of Production From Phase 1 Expansion

Production for Phase 1 is set to begin over the next few weeks. A successful ramp-up towards commercial production will be seen as a positive step in the evolution of Mercator Minerals.

Completion Of Phase 2 Construction And Production Ramp-up Without Additional Equity

Production expansion in 2009 will continue the evolution of Mineral Park and should unlock the true cash-generating potential of the asset. Our cash flow estimates indicate that Mercator will have close to no cash-on-hand upon completion of the planned production ramp-up. We believe the share price is under pressure as a result of an anticipated shortage of cash. Completion of the project without an additional equity issue will be a positive for the story.

Likely M&A Activity In The Moly Space

Junior developers will continue to struggle to secure project financing in the current market. We believe now is the opportune time for majors to acquire distressed projects. The current market is providing an opportunity to reorganize the moly supply chain.

Mineral Park Project

The Mineral Park project is located in the Central Cerbat Mountain range in northwestern Arizona, approximately 100 miles south of Las Vegas, Nevada, and 16 miles northwest of Kingman, Arizona. Covering a total area of 6,418 acres, Mineral Park is 100% owned by Mercator Minerals.

Exhibit 2. Mineral Park – Location

Source: Company reports.

Geological Characteristics & Mineralization

- Found in the Central Cerbat Mountains, the Mineral Park mine is a hypogene porphyry deposit containing copper, molybdenum and silver. The upper reaches of the deposit have undergone supergene enrichment. Typical high levels of weathering and alteration are present.
- Mineralization viewed on plan approximates an elliptical shape.
- An area of higher-grade molybdenum resides within what is known as the "Gross stock," currently directly beneath the site of the heap/dump leaching area. Mercator is endeavoring to move this heap/dump leaching material to gain access to this higher-grade ore.

Molybdenum mineralization is restricted mainly to quartz veins, while higher-grade copper mineralization occurs in mafic rock rather than felsic rock.

Exhibit 3. Mineral Park – Reserve & Resource Summary

			Tonnes (000)	Cu %	Mo %	Cu (000 lb.)	Mo (000 lb.)
Reserves	Proven	Mill Ore Hypogene	238,418	0.12	0.041	572,203	195,503
		Mill Ore Supergene	109,780	0.22	0.038	483,032	83,433
		Leach Ore	82,499	0.07	n/a	115,499	n/a
			430,697	0.14	0.040	1,170,734	278,936
	Probable	Mill Ore Hypogene	77,089	0.11	0.037	169,596	57,046
		Mill Ore Supergene	12,564	0.13	0.029	32,666	7,287
		Leach Ore	n/a	n/a	n/a	n/a	n/a
			89,653	0.11	0.036	202,262	64,333
	Total P&P	Mill Ore Hypogene	315,507	0.12	0.040	757,217	252,406
		Mill Ore Supergene	122,344	0.21	0.037	513,845	90,535
		Leach Ore	82,499	0.07	n/a	115,499	n/a
			520,350	0.13	0.039	1,386,560	342,940
Resources	Measured	Hypogene	180,247	0.11	0.044	410,963	158,617
		Supergene	139,941	0.21	0.035	598,947	97,959
			320,188	0.16	0.040	1,009,911	256,576
	Indicated	Hypogene	158,352	0.10	0.047	316,704	148,851
		Supergene	11,602	0.22	0.033	50,585	7,657
			169,954	0.11	0.046	367,289	156,508
	Total M&I	Hypogene	338,599	0.11	0.045	727,667	307,468
		Supergene	151,543	0.21	0.035	649,532	105,616
			490,142	0.14	0.042	1,377,199	413,084
	Inferred		218,703	0.10	0.053	433,032	231,825

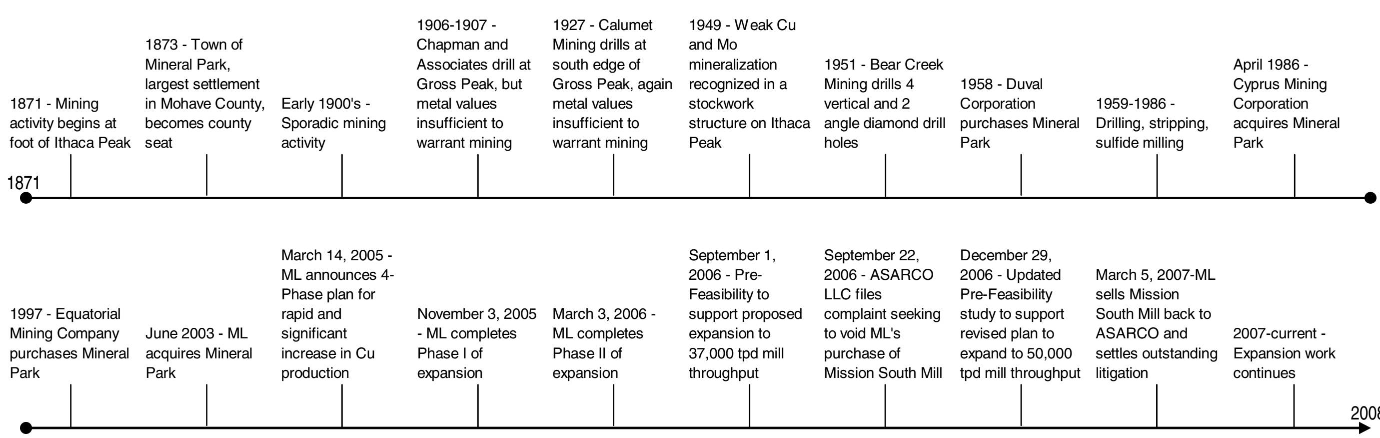
Source: Company reports and CIBC World Markets Inc.

Project History

Mining activity at Mineral Park began as early as 1871. From 1958 to 2003, the Mineral Park mine was operated by Duval Corporation, Cyprus Mining Corporation, and Equatorial Mining Ltd., in respective order.

Cumulatively, previous owners of the Mineral Park property have produced 614 million pounds (lb.) of copper in concentrate, 147 million lb. of copper as cathode, almost 50 million lb. of molybdenum concentrate, and approximately 5 million ounces (oz.) of silver.

Exhibit 4. Mineral Park – Project Timeline



Source: Company reports and CIBC World Markets Inc

Revised Project Expansion Plans

Mercator Minerals originally planned to expand production by relocating the Mission South Mill to Mineral Park. However, ongoing legal issues involving ASARCO, a mining, smelting, and refining company based in Tucson, Arizona, prompted Mercator Minerals to secure alternate equipment instead. This decision, coupled with an increase in planned throughput capacity, subsequently led to the commissioning of an updated preliminary feasibility study. This report was released on December 29, 2006.

Estimated mineral reserves are sufficient to sustain a 25-year mine life. Average annual production is projected to be 43.4 million lb. of copper, 10.5 million lb. of molybdenum, and 469,500 oz. of silver at average grades of 0.14% copper, 0.039% molybdenum, and 0.08 oz. per ton, respectively. Mineral Park's life-of-mine strip ratio is expected to be 0.18 to 1.

Exhibit 5. Mineral Park – Metallurgical Recoveries

Ore Type	Recovery
Supergene Copper	80%
Hypogene Copper	82%
Supergene Molybdenum	75%
Hypogene Molybdenum	76%
Silver (All Ores)	42%
Heap Leach Copper	70%

Source: Company reports and CIBC World Markets Inc.

The current Mineral Park development has two stages:

1. Stage 1, considered the start-up period, with operations designed to process 25,000 tpd nominally, with a 24-hour maximum design tonnage of 30,000 tons; and,

2. Stage 2 expansion, which will allow for 50,000 tpd nominally with a 24-hour maximum design tonnage of 60,000 tons.

Initial capital costs for Stage 1 and Stage 2 total $128 million and $62.5 million, respectively, or $190.5 million combined. Total operating costs for the life of the mine are expected to be $4.57/ton milled. Exhibit 6 offers a more detailed summary of operating costs.

Exhibit 6. Mineral Park – Life-of-mine Operating Costs

Average Life-of-mine (LOM) Costs	$/ton
Mining	$0.80
Supergene	$3.46
Hypogene	$3.06
Leaching	$0.61
G&A	$0.19

Source: Company reports and CIBC World Markets Inc.

Growth And Outlook

Mercator Minerals has acquired a single stand-alone asset in Mineral Park, a project that represents nearer-term cash flow, providing a basis from which to expand the company. The current state of global equity markets means many companies will struggle to secure project financing and quality projects will fail. Abundant cash flow from Mineral Park may provide a source of future project financing, and, we believe, strongly positions Mercator for future growth through potential merger and acquisition activity.

Valuation

As Mercator's single asset we derive 100% of our price target for the company from our net asset value (NAV) calculation of Mineral Park. Given current market conditions, we assign a 0.5x NAV multiple to determine our price target, in line with other base metals producers within our coverage universe. As market conditions improve we may revisit our methodology for NAV discounting.

Net Asset Value

In Exhibit 8 we outline our NAV calculation for Mineral Park (and, therefore, for Mercator Minerals) using a 10% discount rate and our molybdenum price deck (detailed in Exhibit 7). Given that Mercator Minerals remains an emerging production story, we consider an NAV approach as the best method by which to determine the company's fair value. This approach is highly dependant on molybdenum and copper price assumptions and the assigned discount rate.

Exhibit 7. Commodity Price Deck

	2008E	2009E	2010E	2011E	2012E	Long Term
Moly Oxide (US$)	$28.00	$10.00	$12.00	$15.00	$15.00	$12.00

Source: CIBC World Markets Inc.

Exhibit 8. Mineral Park– NAV Calculation

NAV	$281,941,579
NAV Per Share (US$)	$3.30
NAV Per Share (C$)	$4.00

Source: CIBC World Markets Inc.

NAV Sensitivity Analysis

Our long-term molybdenum price forecast is US$12.00/lb and long-term copper price forecast is US$1.75/lb. Exhibit 9 outlines how our price target would vary with changes to the life-of-mine average molybdenum price. Mercator is highly leveraged to any changes in the price of molybdenum through the life of Mineral Park.

Exhibit 9. Mercator Minerals – Target Sensitivity To Long-term Commodity Prices

	Molybdenum Price														
	$5.00	$7.50	$10.00	$12.50	$15.00	$17.50	$20.00	$22.50	$25.00	$27.50	$30.00	$32.50	$35.00	$37.50	$40.00
$0.75	(4.12)	(2.68)	(1.24)	0.16	1.40	2.56	3.68	4.79	5.90	7.01	8.13	9.24	10.35	11.47	12.58
$1.00	(3.39)	(1.95)	(0.52)	0.82	2.02	3.14	4.26	5.37	6.48	7.60	8.71	9.82	10.93	12.05	13.16
$1.25	(2.66)	(1.22)	0.19	1.44	2.61	3.73	4.84	5.95	7.06	8.18	9.29	10.40	11.52	12.63	13.74
$1.50	(1.93)	(0.50)	0.85	2.05	3.19	4.31	5.42	6.53	7.65	8.76	9.87	10.98	12.10	13.21	14.32
$1.75	(1.20)	0.20	1.47	2.66	3.78	4.89	6.00	7.11	8.23	9.34	10.45	11.57	12.68	13.79	14.90
$2.00	(0.48)	0.86	2.08	3.24	4.36	5.47	6.58	7.70	8.81	9.92	11.03	12.15	13.26	14.37	15.49
$2.25	0.21	1.50	2.69	3.83	4.94	6.05	7.16	8.28	9.39	10.50	11.62	12.73	13.84	14.95	16.07
$2.50	0.87	2.11	3.29	4.41	5.52	6.63	7.75	8.86	9.97	11.08	12.20	13.31	14.42	15.54	16.65
$2.75	1.51	2.72	3.88	4.99	6.10	7.21	8.33	9.44	10.55	11.67	12.78	13.89	15.00	16.12	17.23
$3.00	2.13	3.32	4.46	5.57	6.68	7.80	8.91	10.02	11.13	12.25	13.36	14.47	15.59	16.70	17.81
$3.25	2.75	3.92	5.04	6.15	7.26	8.38	9.49	10.60	11.72	12.83	13.94	15.05	16.17	17.28	18.39
$3.50	3.36	4.51	5.62	6.73	7.85	8.96	10.07	11.18	12.30	13.41	14.52	15.64	16.75	17.86	18.97
$3.75	3.96	5.09	6.20	7.31	8.43	9.54	10.65	11.77	12.88	13.99	15.10	16.22	17.33	18.44	19.56
$4.00	4.55	5.67	6.78	7.89	9.01	10.12	11.23	12.35	13.46	14.57	15.69	16.80	17.91	19.02	20.14

Source: CIBC World Markets Inc.

Cash Flow Forecasts

Using our molybdenum and copper price forecasts and a US$/C$ exchange rate of 1.15, we expect Mercator Minerals to turn cash flow positive in 2010 and generate $1.03/share on the back of its ramp-up to 50,000 tpd. Mercator is trading at 0.37x our 2010 cash flow per share estimate.

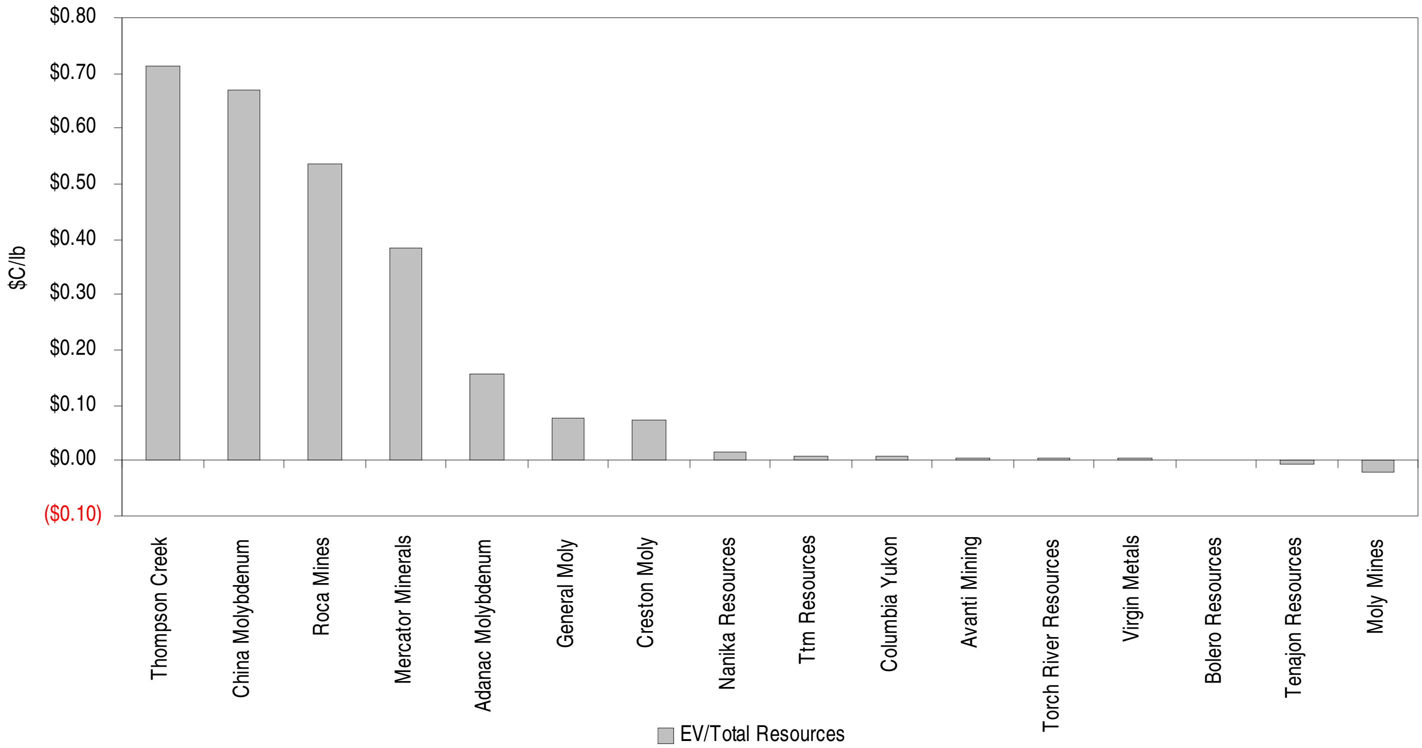
Relative Valuation – EV/lb. Moly In Resource Base

From a pounds-in-the-ground perspective, Mercator Minerals is trading at approximately $0.35/lb. of molybdenum in various resource categories. We downplay the importance of this valuation methodology for two reasons:

1. Mercator’s real value is determined by exposure to both molybdenum and copper; and,

2. Current market conditions mean many explorer- and development-stage companies are trading at or below current cash reserve levels, skewing the results of this comparative analysis.

Exhibit 10. EV/lb. Moly Resource Base



Source: Company reports and CIBC World Markets Inc.

Base Metals Coverage Universe

As is the case with the rest of our base metals coverage universe, Mercator is trading at a steep discount to our estimated NAV.

Exhibit 11. Comparative Analysis To Our Base Metals Coverage Universe

Coverage Summary

	Symbol	Price	Analyst	Shs O/S	Float	Mk Cap $ Mln	Float $ Mln	EV $ Mln	Dividend	Yield	BVPS	P/BV	Net Debt	ND/ND+E	NAV	P/NAV
Copper																
Augusta	AZC	C$1.00	CH	88.7	70.5	89	70	107	C$0.00	0.0%	US$0.94	1.08x	0	0.00x	C$6.73	0.15x
Chariot	CHD	C$0.07	CH	328.3	258.8	23	18	-2	C$0.00	0.0%	US$0.93	0.23x	18	0.18x	C$0.89	0.08x
Equinox	EQN	C$1.08	CH	593.0	493.7	640	533	1,142	C$0.00	0.0%	US$0.77	1.09x	473	1.00x	C$3.48	0.31x
First Quantum	FM	C$13.63	CH	68.7	66.4	937	904	1,416	C$0.52	3.8%	US$25.98	0.40x	107	0.19x	C$71.47	0.19x
Nickel																
FNX	FNX	C$2.30	CH	84.9	83.6	195	192	44	C$0.00	0.0%	C$8.88	0.26x	(151)	-0.24x	C$17.71	0.13x
Zinc																
Breakwater	BWR	C$0.07	CH	446.5	330.3	31	23	-11	C$0.00	0.0%	C$0.87	0.08x	(42)	-0.06x	C$0.17	0.38x
Horsehead	ZINC	US$2.53	CH	35.3	33.4	89	85	9	US$0.00	0.0%	US$7.91	0.32x	(80)	-0.43x	US$6.15	0.41x
Diversified and Other																
Cameco	CCO	C$15.46	CH	365.7	365.0	5,653	5,642	7,429	C$0.24	1.6%	C$9.19	1.68x	1,112	0.80x	C$18.06	0.86x
HudBay	HBM	C$5.23	CH	153.0	152.3	800	796	-44	C$0.00	0.0%	C$9.71	0.51x	(729)	-0.28x	C$9.91	0.53x
Inmet Mining	IMN	C$14.85	CH	48.3	42.5	717	631	546	C$0.20	1.3%	C$10.16	0.42x	(844)	-1.04x	C$40.22	0.37x
Lundin	LUN	C$1.01	CH	390.4	327.9	394	331	601	C$0.00	0.0%	US$8.07	0.10x	195	0.10x	C$8.62	0.12x
Sherritt	S	C$2.10	CH	292.0	290.5	613	610	3,419	C$0.14	6.9%	C$13.68	0.15x	1,403	0.27x	C$7.98	0.26x
Teck Cominco	TCK.B	C$4.10	CH	477.6	474.6	2,044	1,975	2,411	C$0.00	0.0%	C$20.21	0.20x	-	0.00x	C$33.75	0.12x
Special Situation																
Fortune	FT	C$0.50		55.6	46.0	27	23	13	C$0.00	0.0%	C$1.65	0.30x	291	0.03x		
Polaris	PLS	C$1.80	CH	37.6	35.0	68	63	65	C$0.00	0.0%	US$3.39	0.41x	(4)	-0.03x	C$3.75	0.47x
Molybdenum																
Thompson Creek	TCM	C$3.27	IP	122.7	120.5	401	394	163	C$0.00	0.0%	C$7.27	0.35x	(147)	-0.22x	C$20.84	0.16x
General Moly	GMO	US$1.04	IP	71.8	54.8	74	57	91	C$0.00	0.0%	C$1.63	0.49x	(84)	-0.10x	US$3.0	0.35x
Mercator Minerals	ML	C$0.35	IP	74.8	73.0	26	26	125	C$0.00	0.0%	C$0.86	0.34x	52	0.45x	C$4.00	0.09x

Earnings & Cash Flow

	Price	Analyst		EPS 2008E	EPS 2009E	EPS 2010E	P/E 2008E	P/E 2009E	P/E 2010E	CFPS 2008E	CFPS 2009E	CFPS 2010E	P/CF 2008E	P/CF 2009E	P/CF 2010E
Copper															
Augusta	C$1.00	CH	C$	$0.00	$0.04	$0.06	NEG	25.0x	16.7x	$0.00	$0.04	$0.06	NEG	25.0x	16.7x
Chariot	C$0.07	CH	C$	$0.00	$0.00	($0.01)	NEG	NEG	NEG	$0.00	$0.00	($0.01)	NEG	NEG	NEG
Equinox	C$1.08	CH	US$	($0.07)	$0.32	$0.46	NEG	2.6x	1.8x	($0.06)	$0.50	$0.68	NEG	1.7x	1.2x
First Quantum	C$13.63	CH	US$	$9.24	$1.84	$4.03	1.1x	5.7x	2.6x	$12.25	$3.72	$6.57	0.9x	2.8x	1.6x
Nickel															
FNX	C$2.30	CH	C$	$0.21	$0.38	$1.38	11.0x	6.1x	1.7x	$0.89	$1.33	$2.61	2.6x	1.7x	0.9x
Zinc															
Breakwater	C$0.07	CH	C$	($0.03)	($0.05)	($0.02)	NEG	NEG	NEG	$0.03	($0.02)	$0.02	2.2x	NEG	3.3x
Horsehead	US$2.53	CH	US$	$0.11	($0.06)	($0.40)	23.0x	NEG	NEG	$0.45	$0.36	$0.21	5.6x	7.0x	12.0x
Diversified and Other															
Cameco	C$15.46	CH	C$	$1.77	$1.38	$1.75	8.7x	11.2x	8.8x	$2.42	$2.02	$2.56	6.4x	7.7x	6.0x
HudBay	C$5.23	CH	C$	$0.74	$0.20	$0.49	7.1x	26.2x	10.7x	$1.46	$0.75	$0.94	3.6x	7.0x	5.6x
Inmet Mining	C$14.85	CH	C$	$6.84	$5.43	$4.77	2.2x	2.7x	3.1x	$7.58	$7.28	$6.46	2.0x	2.0x	2.3x
Lundin	C$1.01	CH	US$	$0.37	($0.23)	$0.15	2.1x	NEG	5.2x	$0.91	$0.32	$0.74	0.9x	2.4x	1.1x
Sherritt	C$2.10	CH	C$	$0.95	$0.57	$0.83	2.2x	3.7x	2.5x	$1.87	$1.59	$1.89	1.1x	1.3x	1.1x
Teck Cominco	C$4.10	CH	C$	$3.70	$4.74	$4.26	1.1x	0.9x	1.0x	$5.48	$7.46	$6.80	0.7x	0.5x	0.6x
Special Situation															
Fortune	C$0.50	CH													
Polaris	C$1.80	CH	US$	($0.20)	($0.19)	($0.10)	NEG	NEG	NEG	($0.01)	($0.06)	$0.03	NEG	NEG	45.0x
Molybdenum															
Thompson Creek	C$3.27	IP	US$	$1.98	$0.84	$1.41	1.7x	3.9x	2.3x	$2.19	$1.41	$2.07	1.5x	2.3x	1.6x
General Moly	US$1.04	IP	US$	($0.21)	($0.26)	($0.26)	-4.9x	-4.0x	-4.0x	($0.11)	($0.07)	($0.07)	-9.4x	-14.8x	-14.8x
Mercator Minerals	C$0.35	IP	US$	($0.36)	$0.04	$0.82	-1.0x	8.8x	0.4x	($1.27)	($0.10)	$0.87	-0.3x	-3.5x	0.4x

Source: Bloomberg, CIBC World Markets.

Cliff Hale-Sanders, CFA
Ian Parkinson,
Terry Tsui, CFA

CIBC World Markets

Investment Summary

As of November 24, we are initiating coverage of Mercator Minerals with a Sector Performer rating and a 12- to 18-month price target of $1.20 per share. The company is transitioning from a project development-stage story to a cash flow-generating story. As the market continues to seek direction, we believe cash flow-generating, well-financed entities will be the first to rebound.

Price Target Calculation

We expect Mercator to recover more quickly than other members of the molybdenum space during these difficult market conditions given its cash flow-generation ability and its more stable capital structure. With funding in place and construction nearing completion, we believe Mercator is well positioned to participate in a market correction and likely outpace it. Our approach may be overly conservative but given current market conditions, prudence is best observed.

We are initiating coverage of Mercator Minerals with a Sector Performer rating and a 12- to 18-month price target of $1.20/share based on a 0.5x NAV multiple. The steep discount to our estimated NAV for Mercator will be revisited as market conditions improve.

Exhibit 12. Mercator Minerals – Price Target Calculation

NPV Discounted Cash Flow	$390,731,936
– Long-term Debt (US$)	(121,072,303)
+Terminal	-
+ Warrants	12,333,768
NAV	281,993,402
NAV Per Share (US$)	$3.30
NAV Per Share (C$)	$4.00
Target 30% NAV	$1.20
Current Share Price	$0.38
Return	215%

Source: CIBC World Markets Inc.

Key Risks To Price Target

Additional Equity Issuance

Our cash flow estimates indicate that Mercator is close to running out of cash on its ramp-up to 50,000 tonnes per day production levels. We have compensated for this by applying a low multiple to NAV for our price target. An issuance of stock at bargain basement prices will negatively impact our NAV per share estimate.

Deeper-than-expected Economic Downturn

It has been well documented that the world is facing economic hardship. If the current economic situation worsens and sustains a longer-than-expected downturn, demand for all molybdenum-consuming end-products will be affected. We view this risk as modest.

Price Risk

Being a single-commodity-focused company, Mercator's performance is fully tied to the molybdenum price. We believe the moly price will remain at levels capable of producing solid margins for Mercator, but should the molybdenum price collapse, Mercator will be negatively impacted. We view this risk as modest.

Public Rejection Of Increased Atomic Power Generation

We believe demand for molybdenum is tied to increasing usage of atomic power, especially in emerging markets. This growth in atomic power usage is tied to its public acceptance as a legitimate and safe source of power. If this public license is not forthcoming, demand for molybdenum will be impacted. We view this risk as minimal.

Structural Shift Away From Use Of Oil And Gas

We believe that the demand for moly is closely tied to oil and gas demand. If there is a sustained structural shift from oil and gas usage towards other forms of energy, demand for molybdenum will be impacted. We view this risk as minimal.

Operating Cost Creep

As is the case with any mining project, Mercator's operations are exposed to fluctuations in operating costs over the life of the mine. We have attempted to compensate for this in our valuation, but there remains a risk that input prices will increase, rendering Mineral Park less economic. Key inputs include diesel, electricity and labor. Energy accounts for 70% of total operating costs at Mineral Park.

Commodity Price Fluctuations

Any metals producer is exposed to fluctuations in the prices of the commodities it produces. A steep and sustained downturn in the molybdenum price and/or copper price would negatively impact a valuation of Mercator Minerals. While we believe that copper and molybdenum prices will recover before those prices of other base metals, the risk of a sustained and deepening downturn in metals prices must be factored into any investment decision.

Summary Financial Statements

At this time we view Mercator Minerals as an emerging production story. Our summary financial statements for Mercator Minerals, shown in Exhibits 13 through 15, reflect our assumptions for the base case used in our valuation in this report and should be viewed only as preliminary. Uncertainty remains about start-up timing, initial throughput and Phase 2 expansion. Limited potential additional funding requirements cannot be completely ruled out and may include additional debt or an equity issue.

Exhibit 13. Mercator Minerals – Consolidated Cash Flow Statement

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E	Dec. 31, 2011E	Dec. 31, 2012E
Operating Activities						
Net Income (Loss) For The Year	($10,527,462)	($26,957,200)	$2,547,232	$61,259,295	$61,366,909	$58,657,273
Adjustments To Reconcile Net Income						
Amortization Of PP&E	1,217,009	2,000,000	3,865,756	7,149,518	7,547,190	6,909,012
Accretion Of Long-term Note Discount	2,125,735	2,554,876	2,554,876	2,554,876	2,554,876	2,554,876
Accretion Of Asset Retirement Obligations	156,740	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Stock-based Compensation	11,920,088	5,000,000	0	0	0	0
Future Income Taxes	(931,963)	0	0	0	0	0
Gain On Sale Of Assets	(2,393,853)	210,000	0	0	0	0
Finance Issuance Costs On Notes Payable	5,585,108	0	0	0	0	0
Change In Assets And Liabilities						
Accounts Receivable	4,401,767	2,504,195	9,160,854	10,945,872	1,325,573	(2,127,258)
Income Taxes Refundable	(3,835,024)	(454,024)	(3,381,000)	0	0	0
Prepaid Expenses	(35,605)	-	-	-	-	-
Inventories	(9,128,255)	(1,832,913)	0	0	0	0
Income Taxes Payable	(312,824)	-	-	-	-	-
Accounts Payable And Accrued Liabilities	1,712,543	(2,458,244)	0	0	0	0
	(45,996)	(18,433,310)	15,747,719	82,909,561	73,794,548	66,993,903
Financing Activities						
Proceeds From Secured Notes, Net Of Finance Issuance Costs	112,014,892	42,000,000	-	-	-	-
Proceeds From Issuance Of Shares Net Of Share Issuance Costs	21,631,440	-	-	-	-	-
Net Proceeds Interest Liability Repayment	(421,311)	-	-	-	-	-
Equipment Loan Repayment	(1,652,135)	(3,191,978)	(3,210,133)	(2,886,956)	(1,757,425)	(149,538)
Equipment Loan Financing	5,988,302					
	137,561,188	38,808,022	(3,210,133)	(2,886,956)	(1,757,425)	(149,538)
Investing Activities						
Acquisition Of Property, Plant And Equipment	(52,133,617)	(115,000,000)	(20,000,000)	(15,000,000)	(2,000,000)	(2,000,000)
Proceeds From Sale Of Property, Plant And Equipment	8,393,853	-	-	-	-	-
Environmental Bond And Reclamation Deposits	(309,648)	(132,000)	(132,000)	(18,336)	0	0
	(44,049,412)	(115,132,000)	(20,132,000)	(15,018,336)	(2,000,000)	(2,000,000)
Increase (Decrease) In Cash And Cash Equivalents	93,465,780	(94,757,288)	(7,594,414)	65,004,269	70,037,123	64,844,365
Cash And Cash Equivalents, Beginning Of Period	11,076,108	104,541,888	9,784,600	2,190,186	67,194,454	137,231,577
Cash And Cash Equivalents, End Of Period	104,541,888	9,784,600	2,190,186	67,194,454	137,231,577	202,075,942

Source: Company reports and CIBC World Markets Inc.

Exhibit 14. Mercator Minerals – Consolidated Income Statement

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E	Dec. 31, 2011E	Dec. 31, 2012E
Revenue						
Copper Sales	$35,534,459	$36,750,000	$72,257,530	$125,645,079	$105,127,538	$67,706,678
Moly Sales	-	0	54,214,037	109,693,166	142,955,850	159,577,762
Silver Sales	-	0	1,886,976	2,479,015	2,989,599	2,515,968
Sales Of Landscape Materials	535,468	500,000	500,000	500,000	500,000	500,000
Total Revenue	**36,069,927**	**37,250,000**	**128,858,542**	**238,317,260**	**251,572,987**	**230,300,408**
Mining And Processing Costs	(9,980,390)	(27,550,000)	(96,814,745)	(120,527,612)	(133,374,692)	(116,568,642)
Operating Income	**26,089,537**	**9,700,000**	**32,043,797**	**117,789,648**	**118,198,295**	**113,731,766**
Other Costs And Expenses						
Administration Including Stock-based Compensation	18,664,967	15,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Amortization of PP&E	1,217,009	0	3,865,756	7,149,518	7,547,190	6,909,012
Exploration And Development	2,147,703	600,000	1,000,000	1,000,000	1,000,000	1,000,000
Accretion Expense	156,740	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest Income	(5,736,468)	-	-	-	-	-
Interest On Long-term Liabilities	14,104,511	15,292,324	15,035,514	14,804,557	14,663,963	14,652,000
Accretion Of Long-term Note Discount	2,125,735	2,554,876	2,554,876	2,554,876	2,554,876	2,554,876
	32,680,197	34,447,200	28,456,146	31,508,951	31,766,029	31,115,888
Income (Loss) From Operations	**(6,590,660)**	**(24,747,200)**	**3,587,651**	**86,280,697**	**86,432,267**	**82,615,878**
Finance Issuance Cost	(5,585,108)	0	0	0	0	0
Gain (Loss) On Sale Of Assets	2,393,853	(210,000)	0	0	0	0
Foreign Exchange Gain	357,649	0	0	0	0	0
Net Income (Loss) Before Taxes	**(9,424,266)**	**(24,957,200)**	**3,587,651**	**86,280,697**	**86,432,267**	**82,615,878**
Income Taxes	-	-	1,040,419	25,021,402	25,065,357	23,958,604
Current	2,035,159	-	-	-	-	-
Future	(931,963)	-	-	-	-	-
	1,103,196	0	0	0	0	0
Net Income (Loss) For Period	**(10,527,462)**	**(24,957,200)**	**2,547,232**	**61,259,295**	**61,366,909**	**58,657,273**

Source: Company reports and CIBC World Markets Inc.

Exhibit 15. Mercator Minerals – Consolidated Balance Sheet

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E	Dec. 31, 2011E	Dec. 31, 2012E
Current Assets						
Cash And Cash Equivalents	$104,541,888	$24,784,600	$17,190,186	$94,194,454	$163,231,577	$227,075,942
Accounts Receivable	1,220,805	3,725,000	12,885,854	23,831,726	25,157,299	23,030,041
Income Tax Refundable	3,835,024	3,381,000	-	-	-	-
Prepaid Expenses	205,393	474,000	-	-	-	-
Inventories	8,148,745	10,170,000	10,170,000	10,170,000	10,170,000	10,170,000
Total Current Assets	**117,951,855**	**42,534,600**	**40,246,040**	**128,196,180**	**198,558,876**	**260,275,983**
Property Plant And Equipment	76,354,450	176,850,000	152,984,244	142,834,726	132,287,536	122,378,524
Inventories	9,040,087	10,873,000	10,873,000	10,873,000	10,873,000	10,873,000
Land Reclamation Bond	1,408,702	1,453,190	1,453,190	1,453,190	1,453,190	1,453,190
Environmental Bond	1,817,664	1,949,664	2,081,664	2,100,000	2,100,000	2,100,000
Total Assets	**206,572,758**	**233,660,454**	**207,638,138**	**285,457,096**	**345,272,602**	**397,080,697**
Current Liabilities						
Accounts Payable And Accrued Liabilities	12,458,244	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Net Proceeds Interest Liability	146,841	-	-	-	-	-
Current Portion – Equipment Loans	2,985,688	3,191,978	3,210,133	2,886,956	1,757,425	149,538
Total Current Liabilities	**15,590,773**	**13,191,978**	**13,210,133**	**12,886,956**	**11,757,425**	**10,149,538**
Long-term Liabilities						
Equipment Loans	9,186,305	8,004,053	4,793,920	1,906,964	149,539	0
Mine Closure Obligations	2,244,182	2,412,678	2,581,174	2,749,670	2,918,166	3,086,662
Future Income Tax Liability	290,463					
Deferred Revenue	-	42,000,000	38,186,131	33,586,748	29,716,028	25,576,928
Notes Payable	109,351,353	111,906,229	114,461,105	117,015,981	119,570,857	0
Total Long-term Liabilities	**121,072,303**	**164,322,960**	**160,022,330**	**155,259,363**	**152,354,590**	**28,663,591**
Total Liabilities	**136,663,076**	**177,514,938**	**173,232,463**	**168,146,319**	**164,112,015**	**38,813,129**
Shareholders' Equity						
Total Shareholders' Equity	**69,909,682**	**56,145,516**	**34,405,674**	**117,310,777**	**181,160,587**	**358,267,568**
Total Liabilities And Shareholders' Equity	**206,572,758**	**233,660,454**	**207,638,138**	**285,457,096**	**345,272,602**	**397,080,697**

Source: Company reports and CIBC World Markets Inc.

Appendix I. Management Team

Michael L. Surratt, President & Chief Executive Officer

Mr. Surratt has been serving as President and Chief Executive Officer of Mercator Minerals since 1998. Prior to joining Mercator Minerals, he was President and Chief Executive Officer of Aurex Resources and, before this, Vice-President of Operations and a director with Miramar Mining Corporation. He holds a B.Sc. in Geology, and is a member of the Prospectors and Developers Association of Canada.

Raymond R. Lee, Chief Financial Officer

Serving as Chief Financial Officer for Mercator Minerals since August 2000, Mr. Lee has in excess of 35 years of experience in a broad range of industry-relevant disciplines. Mr. Lee was Chief Operating Officer for Mountain Utilities, LLC. Prior to this, Mr. Lee was Administrative Manager for Equatorial Tonopah from January 1999 to July 2000 and Controller for Mineral Ridge from August 1997 to November 1998. Mr. Lee was granted a B.Sc. Business Administration in 1972 and an MBA (Hons) from the University of Phoenix in 1990.

Marc S. LeBlanc, Vice-President Corporate Development & Corporate Secretary

Mr. LeBlanc has been Vice-President, Corporate Development since May 2007 and Corporate Secretary since January 2005. He joined Mercator Minerals in September 2003 as the Assistant Corporate Secretary. Before joining Mercator Minerals, Mr. LeBlanc provided consulting services to a number of public mining companies, including Mercator Minerals, and from 2000 to May 2004 was employed with a number of Vancouver law firms. He has also served as Assistant Corporate Secretary to Miramar Mining Corporation and Northern Orion Exploration Ltd.

Gary Simmerman, Vice-President Engineering & Mine Manager

Mr. Simmerman has served as Vice-President Engineering & Mine Manager with Mercator Minerals since 2007. Previously, he was Vice-President and Chief Operating Officer with Frontera Copper Corp. Other previous positions held by Mr. Simmerman include Vice-President Operations with Azco Mining, Senior Mine Engineer and Chief Engineer with Santa Fe Pacific Gold Corp., and various operational and engineering roles within Noranda and Gulf Minerals Resources. He holds a B.Sc. in mining engineering from the University of Arizona.

Our EPS estimates are shown below:

	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Yearly
2008 Current	--	--	--	--	(US$0.36E)
2009 Current	--	--	--	--	US$0.04E
2010 Current	--	--	--	--	US$0.82E

CIBC World Markets

Equity Research
Initiating Coverage

November 24, 2008

Stock Rating:
Sector Performer

Sector Weighting:
Market Weight

12-18 mo. Price Target	$1.95
GMO-AMEX (11/21/08)	$0.85

Key Indices: None

3-5-Yr. EPS Gr. Rate (E)	NM
52-week Range	$0.80-$12.57
Shares Outstanding	71.8M
Float	54.8M Shrs
Avg. Daily Trading Vol.	570,000
Market Capitalization	$61.1M
Dividend/Div Yield	Nil / Nil
Fiscal Year Ends	December
Book Value	$1.60 per Shr
2008 ROE (E)	NM
LT Debt	$0.3M
Preferred	Nil
Common Equity	$114.6M
Convertible Available	No

Earnings per Share	**Prev**	**Current**
2008		($0.21E)
2009		($0.26E)
2010		($0.26E)
P/E		
2008		NM
2009		NM
2010		NM

Company Description
General Moly, Inc. is focused on development of the Mt. Hope molybdenum project near Eureka, Nevada.

www.generalmoly.com

Ian Parkinson
1 (416) 956-6169
ian.parkinson@cibc.ca

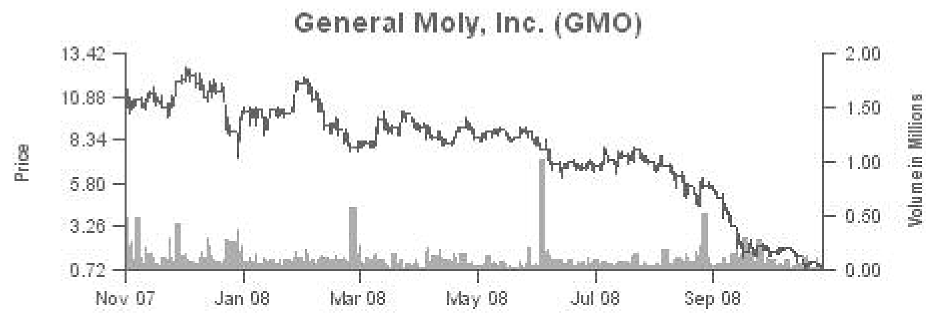
Metals & Minerals

General Moly, Inc.

Mt. Hope And Liberty Projects Offer Deep Value In A Rough Market

- Potential near-term molybdenum production at Mt. Hope and longer-term growth through Liberty provide a strong project pipeline. General Moly is positioned to become a major producer of molybdenum into the next decade pending secured project financing for Mt. Hope.
- Secure off-take arrangements are in place for sale of a total of 11.5 million lb. of molybdenum structured with a floor price approaching $15/lb. in exchange for a discount at higher prices. The arrangements reduce project financing risk and provide a valuation basis for project debt financing.
- We expect the molybdenum price to recover from recent lows as the global economy improves into 2010. We expect several moly projects to be delayed as a result of funding shortfalls, creating eventual tightness in the market and a strong price environment.
- As of November 24, we initiate coverage of General Moly with a Sector Performer rating and a 12- to 18-month price target of $1.95 per share. General Moly is singularly focused on molybdenum and exclusively tied to the strength of the molybdenum industry.

Stock Price Performance



Source: Reuters

All figures in US dollars, unless otherwise stated.

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Investors should consider this report as only a single factor in making their investment decision.

See "Important Disclosures" section at the end of this report for important required disclosures, including potential conflicts of interest.

See "Price Target Calculation" and "Key Risks to Price Target" sections at the end of this report, where applicable.

Investment Summary

General Moly (GMO–SP) is a company poised to transition into a major molybdenum producer over the next few years through the development of the Mt. Hope and Liberty (Hall-Tanopah) projects. We foresee deep value in both Mt. Hope and Liberty and anticipate the price of molybdenum remaining above historical prices. As of November 24, we are initiating coverage of General Moly with a Sector Performer rating and a 12- to 18-month price target of $1.95 per share based on 0.5x our net asset value (NAV) estimate for the Mt. Hope project.

We use what we believe is a conservative molybdenum price forecast and assume that General Moly will undertake necessary financing arrangements at current market prices. We also assume a half-warrant issue as part of any offering (obviously a very dilutive event given current market conditions). Should any alternatives to our financing assumptions become reality, our price target will be revised accordingly. At this time, we do not assign value to the Liberty asset but view it as a strong project that will likely reach commercial production sometime after 2013.

While we view Mt. Hope as a strong feasible project with positive economics, we are, however, forced to temper our enthusiasm simply because the project is not fully financed and we anticipate substantial difficulty in finalizing any financing arrangements in a timely manner in the current environment. The market for project finance has all but disappeared and there exists a real possibility of delay. Once project financing options become clearer we will re-examine our valuation.

Mt. Hope – Net Asset Value (NAV)

The Mt. Hope project, from which we derive 100% of our valuation of General Moly, is poised for production to begin in late 2010. General Moly (80%) is partnered with POSCO (20%) on the project. A summary of our NAV and price target calculations are shown in Exhibit 1.

Exhibit 1. Asset Location – Mining-friendly Nevada

NAV	$894,728,013
NAV Per Share (US$)	$3.90
NAV Per Share (C$)	$4.50
0.5x NAV Target (US$)	$1.95
Current Share Price	$0.85
Return	129%

Source: CIBC World Markets.

Liberty

Offering longer-term growth potential and likely to be funded through Mt. Hope cash flow, Liberty represents the next stage forward for General Moly, with production expected to begin in 2013–2014. We assign no value to Liberty at this time. Once Mt. Hope is up and running we would look to Liberty to provide the company’s subsequent growth, but at this time, in this market, the path ahead remains unclear.

Near-term Catalysts

Final Baseline Studies Complete Q4/2008

Final baseline studies were submitted in early November 2008 and are required before the Environmental Impact Statement (EIS) submission process can begin.

EIS To Be Submitted End Of Q1/2009

The EIS for Mt. Hope is expected to be completed and submitted by year-end. Nevada is a mining-friendly jurisdiction and the permitting process is well defined. No major obstacles to permitting are expected.

Receipt Of State-issued Water Pollution Control And Air Quality Permits

Applications were submitted in Q3/2008 and permits are expected to be received in the first half of 2009.

Completion Of Detailed Engineering

Detailed engineering work is ongoing and major construction contracts are expected to be in place by Q1/2009.

Additional Off-take Agreements Possible

With project financing not 100% secured there is the possibility of additional strategic arrangements with off-takers, possibly providing additional floor price protection. We view any such arrangements as a positive catalyst for General Moly.

Final Financing Plan In Place

At this time it is unclear how the remaining funds required for the construction of Mt. Hope will be secured. Clarity to this situation will be a major step forward for General Moly and perhaps the greatest catalyst for the company’s evolution.

Possible M&A Activity

Mt. Hope and Liberty are both well-defined projects with well-understood resources and potentially robust economics. Given current market conditions, expansion through M&A seems cheaper than through exploration. General Moly may well become a target for any company with a robust balance sheet looking to gain or increase exposure to molybdenum.

Company Profile

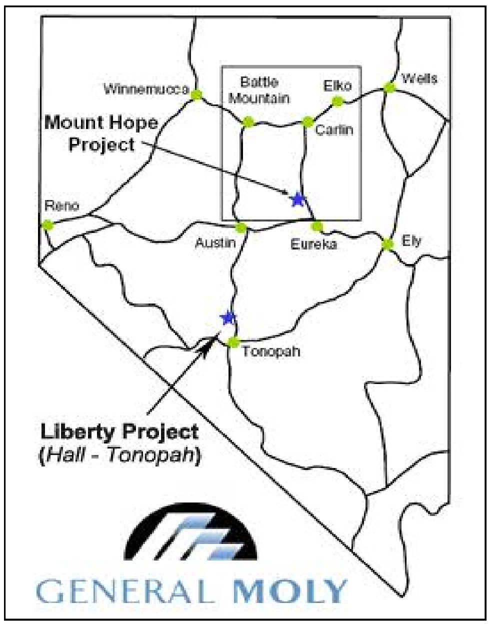
General Moly is a U.S.-based company focused on the development of two molybdenum projects, Mt. Hope and Liberty (Hall-Tonopah), both in mining-friendly Nevada. The company has joined forces with steel producer POSCO of Korea to develop the Mt. Hope project. POSCO retains 20% ownership of Mt. Hope and will contribute pro-rata to the construction of the project.

General Moly shares trade on the Toronto and American Stock Exchanges (soon to be renamed NYSE Alternext) under the symbol GMO.

Key Assets

The Mt. Hope project is located approximately 35 kilometers northwest of Eureka, in the state of Nevada. The Liberty project is approximately 190 kilometers southwest of Mt. Hope.

Exhibit 2. Asset Location – Mining-friendly Nevada



Source: Company reports.

Mt. Hope Project

General Moly owns an 80% interest in Mt. Hope in a joint-venture with POSCO.

Geological Characteristics & Mineralization

- A traditional molybdenum porphyry deposit, Mt. Hope has comparable geological characteristics to Freeport McMoRan's (FCX–NYSE) Climax molybdenum deposit in Colorado.
- The mineralized zones comprise an intrusive quartz porphyry containing a dense stockwork, within which lies the molybdenite or MoS_2.

General Moly holds a 30-year lease on the Mount Hope Mines Inc. (MHMI) claims, renewable at General Moly's discretion. The current lease, signed on October 19, 2005, expires in 2035. The project consists of 13 patented lode claims, one patented millsite claim, and 1,546 unpatented claims owned by MHMI.

Exhibit 3. Mt. Hope – Reserve & Resource Summary (80% Basis)

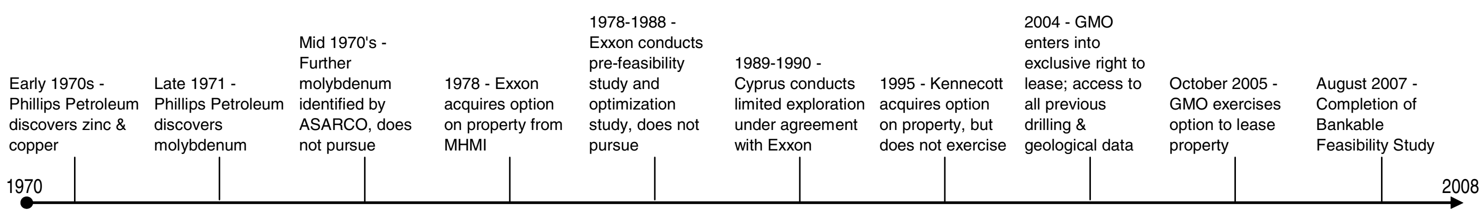
		Tonnes (000)	Grade %	Lb. (000)
Reserves	Proven	137,656	0.083	251,888
	Probable	563,363	0.065	807,301
	Total P&P	701,019	0.068	1,050,927
Resources	Measured	8,048	0.029	5,145
	Indicated	71,524	0.030	47,305
	Total M&I	79,572	0.030	52,628
	Inferred	138,842	0.063	192,838

Source: Company reports and CIBC World Markets Inc.

Project History

Since the early 1970s the Mt. Hope deposit has garnered interest from several mining companies. Extensive drilling and feasibility work was conducted on the project prior to General Moly leasing the MHMI claims and moving towards development.

Exhibit 4. Mt. Hope – Project Timeline



Source: Company reports and CIBC World Markets Inc

Bankable Feasibility Study

On August 30, 2007, General Moly completed its bankable feasibility study for the Mt. Hope project, which indicated the potential for the asset to become a low-cost primary molybdenum producer.

Based on the study, over its 44-year mine life, annual production at the Mt. Hope project is expected to be 25.5 million pounds (lb.) of molybdenum at an average mill grade of 0.068%. The project's life-of-mine strip ratio is expected to be 1.8, with recoveries of 85.8% and 99.2% at the mill and roaster circuit, respectively. The project will provide for 32 years of mill processing followed by 12 years of low-grade processing from stockpiles. According to the company, mine production is scheduled to begin in late 2010.

Initial capital costs were estimated to total $852 million excluding working capital requirements, and were later revised upwards in September 2008 to between $1.1 billion and $1.23 billion including approximately $150 million in working capital and deposit considerations. Continuing capital costs are expected to be approximately $14 million per year. Operating costs for the project for the first five years of production are estimated at between $5.30/lb. and $5.80/lb.

Joint Venture With POSCO

On December 18, 2007, General Moly entered into a joint-venture with POSCO, the world's third-largest steel producer, giving POSCO a 20% interest in the Mt. Hope project.

Per the agreement, POSCO will make equity contributions to the joint-venture totaling $170 million. The first two $50 million installments were made in late February 2008 and on June 30, 2008, respectively. A third installment, consisting of $70 million plus a catch-up $65 million contribution for capital expenditures from January 1, 2008, will be made when all necessary permits have been received to initiate construction of the project. This is expected to occur in mid-2009.

Capex Funding Requirements

The total estimated capex requirement for Mt. Hope is $1.1 billion to $1.23 billion including working capital requirements. As at last quarter-end, General Moly had 70.9 million basic shares outstanding; 82.7 million fully diluted shares outstanding; cash on hand of $79,508,000; and, 7,455,434 warrants at a strike price of $4.59/share and 4,175,490 options at $4.88/share, providing a possible additional $54 million.

Currently, General Moly has commitments for $510 million–$540 million from its own cash on hand and through POSCO guarantees. Remaining project finance requirements are in the order of $590 million–$690 million. General Moly is endeavoring to finance the remaining capex requirements for Mt. Hope with Barclays Capital and Credit Suisse Securities (USA) as advisors to tap project finance funds. Using the floor price structure outlined in the off-take agreements as a basis for borrowing, the company hopes to fund Mt. Hope using conventional project debt financing. The global credit crisis and slowing economies the world over cannot be ignored. We view funding risk as the greatest risk to the project's timeline. While conventional project debt financing is the preferred route, in today's market, all funding alternatives will likely be examined and utilized, including almost certainly either the issuance of additional equity or additional strategic partnerships.

Off-take Agreements

General Moly has secured three key off-take agreements with steel producers and metals trade/marketing companies for Mt. Hope production.

- In November 2007 the company signed an agreement with ArcelorMittal (MT–NYSE) whereby the latter took a 10% equity position in General Moly at a price of $8.50 per share. Along with the equity position, ArcelorMittal agreed to take +/–6.5 million lb. of molybdenum for five years at a minimum molybdenum price of $15/lb. and at a modest discount to the spot price for any molybdenum price above $15/lb.
- In May 2008 General Moly agreed to sell SeAH Besteel (003030–KS) 4.0 million lb. (+/–10%) of molybdenum on similar pricing terms.
- In August 2008 the company agreed to sell Sojitz Corporation (2768–T) 1 million lb. of molybdenum annually for five years with floor price protection and an additional 4 million lb. for five years as a marketing arrangement into the Japanese market.

Combined, these off-take agreements represent 11.5 million lb. of molybdenum fixed at a minimum price approaching $15/lb., giving General Moly some basis for downside price risk protection and a possible basis for conventional debt financing valuations.

Current Mark-to-market Of Off-take Agreements

Exhibit 5. Mark-to-market Of Off-take Agreements
($ mlns., except where noted)

Discount Rate	10%				
	2011	2012	2013	2014	2015
Arcelor Mittal (m lbs)	6.5	6.5	6.5	6.5	6.5
SeAH Besteel (m lbs)	4	4	4	4	4
Sojitz Corp. (m lbs)	1	1	1	1	1
Total (m lbs)	11.5	11.5	11.5	11.5	11.5
Off-take Revenue	172.5	172.5	172.5	172.5	172.5
Rev at Current ($10/lb)	115.0	115.0	115.0	115.0	115.0
Difference	57.5	57.5	57.5	57.5	57.5
Disocunted (m$US)	$ 43	$ 39	$ 36	$ 32	$ 30
NPV of off take	**$ 180**				

Source: Company reports and CIBC World Markets Inc.

Liberty Project

The Liberty Project (formerly known as the Hall-Tonopah project) is located northwest of Tonopah, Nevada, approximately 120 miles from the Mt. Hope project. In aggregate, the area encompassed by the project boundary spans approximately 14,052 acres. General Moly owns a 100% interest in the Liberty project.

Geological Characteristics & Mineralization

- Situated near the intersection of the Golconda and Roberts Mountain thrust plates, the Liberty ore deposit contains higher-grade molybdenum mineralization in the form of molybdenite, MoS_2, concentrated in and along the margins of irregular-shaped mineralization zones that encircle a lower-grade or barren silicic-alkalic intrusive core.

- Molybdenum mineralization concentrations in the deposit can be found in molybdenite, which occurs in 0.1” to 1.2” wide quartz veins and veinlets, generally found as selvage on vein walls, in volumes ranging from 0.1% to more than 40%.

- General Moly wholly owns all mineral rights within the Liberty project boundaries. The project area consists of 49 patented lode claims, 16 patented millsite claims, 219 unpatented lode claims and 5,051.01 acres of fee-owned land.

Exhibit 6. Liberty – Reserve & Resource Summary

		Tonnes (000)	Grade %	Lb. (000)
Reserves	Proven	87,058	0.083	159,302
	Probable	305,709	0.068	458,301
	Total P&P	392,767	0.071	614,790
Resources	Measured	5,960	0.052	6,833
	Indicated	93,228	0.052	106,877
	Total M&I	99,188	0.052	113,709
	Inferred	115,394	0.051	129,744

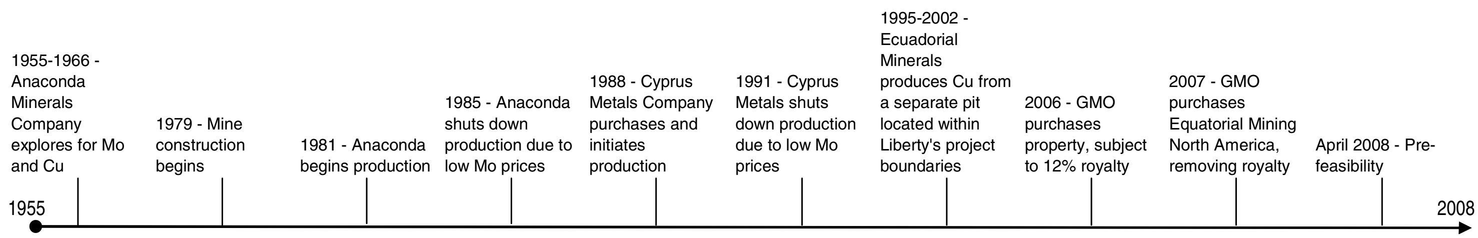
Source: Company reports and CIBC World Markets Inc.

Project History

In 1955 Anaconda Minerals Company (Anaconda) leased and optioned the Liberty property (then the Hall-Tonopah prospect and mine) and began mine construction in 1979. Anaconda operated the molybdenum mine from 1981 to 1985. Cyprus Minerals succeeded as operator of the mine in 1988 and operated the mine from 1988 to 1991.

In total, from 1981 to 1991, 110 million lb. of molybdenum were produced from approximately 50 million tons of molybdenum ore at the Liberty property.

Exhibit 7. Liberty – Project Timeline



Source: Company reports and CIBC World Markets Inc.

Pre-feasibility Study

On April 29, 2008, General Moly renamed the Hall-Tonopah project the Liberty project and announced the completion of a pre-feasibility study for the asset.

The study forecasts a 33-year mine life, with 23 years of open-pit mining and 10 years of lower-grade stockpile ore processing. The estimated annual production over the life of the mine is expected to be 15.3 million lb. of molybdenum at an average mill grade of 0.071%. The project's life-of-mine strip ratio is expected to be 1.5, with recoveries of 82.5% and 99.2% at the mill and roaster circuit, respectively.

Under the framework of the pre-feasibility study, initial capital costs will be $492 million with maintenance capital costs of $268 million, or approximately $8.1 million a year. Inclusive of copper by-product credits, operating costs for the life of the mine are projected to be $7.15/lb. and total cash costs $7.26/lb.

Permitting

Baseline studies are under way for Liberty and are expected to run until Q3/2010. At this time, it is not known exactly how long the full permitting process will take to complete.

Path Forward

The exact timing of the development of Liberty is not fully determined at this point. Indeed, we expect Liberty to be looked at more closely once Mt. Hope is up and running. We, therefore, anticipate that any delays in developing Mt. Hope will delay the Liberty development schedule.

Growth And Outlook

General Moly has assembled two projects at different stages of development: Mt. Hope represents nearer-term cash flow and Liberty offers a second producing mine and plant, giving General Moly improved economies of scale across the group. Prioritizing the development of the two projects and using cash flow for organic growth will limit dilution and establish the company for growth for the longer term.

Valuation

In Exhibit 10, we outline our NAV calculation for the Mt. Hope asset using a 10% discount rate and our molybdenum price deck. Our valuation considers only Mt. Hope at this time. Our enthusiasm for General Moly is tempered somewhat given the risks associated with Mt. Hope – from financing and construction perspectives – but we foresee deep value for investors with a longer-term view. The next few quarters will likely prove difficult ones in which to arrange any project financing in the mining industry, but we believe that Mt. Hope offers significant upside potential over the long-term horizon.

Financing Assumptions

We assume the remaining capital required for completion of Mt. Hope will be sourced through a combination of debt and equity. Up until this point, capex has been funded completely through equity. With this in mind, we assume a higher debt/equity ratio for the remaining financing arrangement. Our assumption translates into approximately 35% of the total estimated capex being funded through debt and the remaining 65% through equity contributions from both General Moly and POSCO. The remaining $547 million to be funded by General Moly will be broken down as 80% debt and 20% equity, according to our assumptions. We assume the equity portion will be priced at current prices with a half warrant attached. Current equity markets make this financing heavily dilutive, which greatly impacts our post-build NAV/share calculation for General Moly. Any improvement to these assumptions will prompt us to re-assess our valuation of General Moly.

Exhibit 8. Financing Assumptions

Financing Structure/Plan (November 6, 2008)

Total Capex	$1,080,000,000
Working Cap	150,000,000
Total Project Requirements	1,230,000,000
Spent To Date	56,000,000
POSCO Initial Contribution	170,000,000
General Moly Cash On Hand	70,000,000
General Moly Equity Contribution	296,000,000
POSCO 20% Capital funding	250,000,000
Total Equity Contributed Or Committed To Project	**546,000,000**
Remaining To Finance	**684,000,000**
GMO Requirements	547,200,000
Assume 80/20 Debt To Equity	
Debt – Conventional Project Finance	437,760,000
Equity	109,440,000
New Share Issue (Assumes Current Share Price Plus 1/2 Share Purchase Warrant)	**123,961,320**

Source: Company reports and CIBC World Markets Inc.

Exhibit 9. Moly Price Deck

	2008	2009	2010	2011	2012	Long-term
Moly Oxide ($US)	$ 28.00	$ 10.00	$ 12.00	$ 15.00	$ 15.00	$ 12.00

Source: CIBC World Markets Inc.

Net Asset Value

With General Moly and Mt. Hope being a pre-production story, we consider a discounted cash flow NAV approach as the best method by which to determine a fair value for the share price. This approach is highly dependant on molybdenum price assumptions and the assigned discount rate. Our price assumptions are outlined in Exhibit 9 and have been incorporated into our valuation of General Moly. Our applied discount rate is 10%.

Exhibit 10. Mt. Hope – NAV Calculation

NAV	$894,728,013
NAV Per Share (US$)	$3.90
NAV Per Share (C$)	$4.50

Source: Company reports and CIBC World Markets Inc

NAV Sensitivity Analysis

Our life-of-mine moly price is $12.52/lb. Exhibit 11 outlines how our price target would vary with changes to the life-of-mine molybdenum price. General Moly is highly leveraged to any changes in the molybdenum price through the life of Mt. Hope.

Exhibit 11. NAV Sensitivity To Molybdenum Price And Discount Rate

Discount Rate	Moly Price $ 10.00	$ 12.50	$ 15.00	$ 17.50	$ 20.00	$ 22.50	$ 25.00
5%	3.13	7.47	11.70	16.10	20.70	25.30	29.90
6%	2.63	6.56	10.39	14.37	18.56	22.75	26.94
7%	2.17	5.75	9.23	12.86	16.69	20.52	24.35
8%	1.75	5.02	8.20	11.51	15.03	18.54	22.06
9%	1.36	4.37	7.28	10.32	13.56	16.80	20.04
10%	1.01	3.78	6.45	9.26	12.25	15.25	18.24
11%	0.69	3.25	5.72	8.30	11.08	13.86	16.64
12%	0.39	2.77	5.05	7.45	10.03	12.62	15.20
13%	0.11	2.33	4.45	6.68	9.09	11.50	13.92
14%		1.93	3.90	5.98	8.24	10.50	12.76
15%		1.56	3.40	5.34	7.47	9.59	11.71
16%		1.22	2.95	4.77	6.76	8.76	10.76
17%		0.91	2.53	4.24	6.12	8.01	9.89
18%		0.62	2.15	3.76	5.54	7.32	9.11
19%		0.36	1.79	3.31	5.00	6.69	8.38
20%		0.11	1.47	2.90	4.51	6.11	7.72

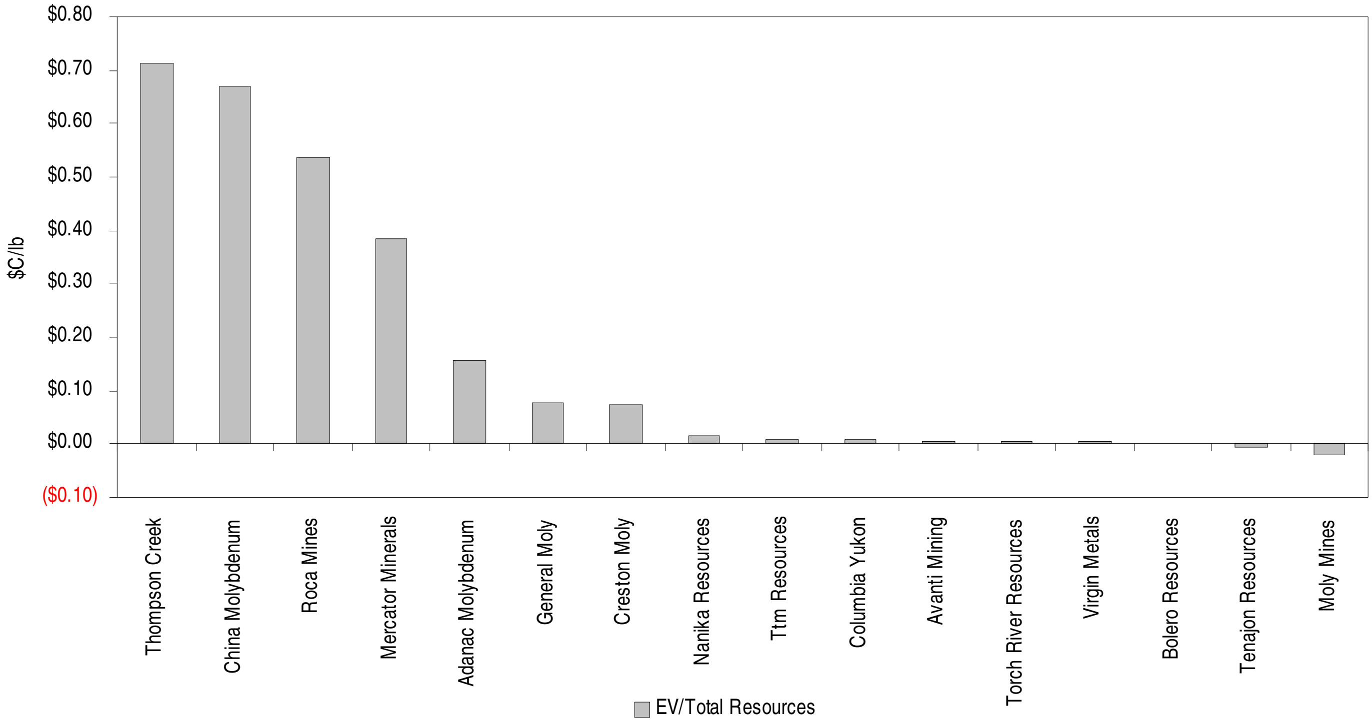
Source: CIBC World Markets Inc.

Comparative Analysis

Relative Valuation – EV/lb. Moly In Resource Base

From a pounds-in-the-ground perspective, General Moly is trading at approximately $0.09/lb. of molybdenum in various resource categories. We downplay the importance of this valuation methodology as current market conditions mean many explorer- and development-stage companies are trading at or below current cash reserve levels, skewing the results of this comparative analysis.

Exhibit 12. EV/lb. Moly Resource Base



Source: Company reports and CIBC World Markets Inc.

General Moly – Compared To Single-commodity-focus Companies Under Coverage

Copper and molybdenum are often found in similar environments and, therefore, have similar mining and operating costs. For this reason, we thought it appropriate to compare the molybdenum-focused companies under coverage to the base metals companies within our coverage universe.

Exhibit 13. Comparative Analysis To Our Base Metals Coverage Universe

Coverage Summary

	Symbol	Price	Analyst	Shs O/S	Float	Mk Cap $ Mln	Float $ Mln	EV $ Mln	Dividend	Yield	BVPS	P/BV	Net Debt	ND/ND+E	NAV	P/NAV
Copper																
Augusta	AZC	C$1.00	CH	88.7	70.5	89	70	107	C$0.00	0.0%	US$0.94	1.08x	0	0.00x	C$6.73	0.15x
Chariot	CHD	C$0.07	CH	328.3	258.8	23	18	-2	C$0.00	0.0%	US$0.93	0.23x	18	0.18x	C$0.89	0.08x
Equinox	EQN	C$1.08	CH	593.0	493.7	640	533	1,142	C$0.00	0.0%	US$0.77	1.09x	473	1.00x	C$3.48	0.31x
First Quantum	FM	C$13.63	CH	68.7	66.4	937	904	1,416	C$0.52	3.8%	US$25.98	0.40x	107	0.19x	C$71.47	0.19x
Nickel																
FNX	FNX	C$2.30	CH	84.9	83.6	195	192	44	C$0.00	0.0%	C$8.88	0.26x	(151)	-0.24x	C$17.71	0.13x
Zinc																
Breakwater	BWR	C$0.07	CH	446.5	330.3	31	23	-11	C$0.00	0.0%	C$0.87	0.08x	(42)	-0.06x	C$0.17	0.38x
Horsehead	ZINC	US$2.53	CH	35.3	33.4	89	85	9	US$0.00	0.0%	US$7.91	0.32x	(80)	-0.43x	US$6.15	0.41x
Diversified and Other																
Cameco	CCO	C$15.46	CH	365.7	365.0	5,653	5,642	7,429	C$0.24	1.6%	C$9.19	1.68x	1,112	0.80x	C$18.06	0.86x
HudBay	HBM	C$5.23	CH	153.0	152.3	800	796	-44	C$0.00	0.0%	C$9.71	0.51x	(729)	-0.28x	C$9.91	0.53x
Inmet Mining	IMN	C$14.85	CH	48.3	42.5	717	631	546	C$0.20	1.3%	C$10.16	0.42x	(844)	-1.04x	C$40.22	0.37x
Lundin	LUN	C$1.01	CH	390.4	327.9	394	331	601	C$0.00	0.0%	US$8.07	0.10x	195	0.10x	C$8.62	0.12x
Sherritt	S	C$2.10	CH	292.0	290.5	613	610	3,419	C$0.14	6.9%	C$13.68	0.15x	1,403	0.27x	C$7.98	0.26x
Teck Cominco	TCK.B	C$4.10	CH	477.6	474.6	2,044	1,975	2,411	C$0.00	0.0%	C$20.21	0.20x	-	0.00x	C$33.75	0.12x
Special Situation																
Fortune	FT	C$0.50	CH	55.6	46.0	27	23	13	C$0.00	0.0%	C$1.65	0.30x	291	0.03x		
Polaris	PLS	C$1.80	CH	37.6	35.0	68	63	65	C$0.00	0.0%	US$3.39	0.41x	(4)	-0.03x	C$3.75	0.47x
Molybdenum																
Thompson Creek	TCM	C$3.27	IP	122.7	120.5	401	394	163	US$0.00	0.0%	US$7.27	0.35x	(147)	-0.22x	C$20.84	0.16x
General Moly	GMO	US$1.04	IP	71.8	54.8	74	57	91	US$0.00	0.0%	US$1.63	0.49x	(84)	-0.10x	US$3.0	0.35x
Mercator Minerals	ML	C$0.35	IP	74.8	73.0	26	26	125	US$0.00	0.0%	US$0.86	0.34x	52	0.45x	C$4.00	0.09x

Earnings & Cash Flow

	Price	Analyst		EPS 2008E	EPS 2009E	EPS 2010E	P/E 2008E	P/E 2009E	P/E 2010E	CFPS 2008E	CFPS 2009E	CFPS 2010E	P/CF 2008E	P/CF 2009E	P/CF 2010E
Copper															
Augusta	C$1.00	CH	C$	$0.00	$0.04	$0.06	NEG	25.0x	16.7x	$0.00	$0.04	$0.06	NEG	25.0x	16.7x
Chariot	C$0.07	CH	C$	$0.00	$0.00	($0.01)	NEG	NEG	NEG	$0.00	$0.00	($0.01)	NEG	NEG	NEG
Equinox	C$1.08	CH	US$	($0.07)	$0.32	$0.46	NEG	2.6x	1.8x	($0.06)	$0.50	$0.68	NEG	1.7x	1.2x
First Quantum	C$13.63	CH	US$	$9.24	$1.84	$4.03	1.1x	5.7x	2.6x	$12.25	$3.72	$6.57	0.9x	2.8x	1.6x
Nickel															
FNX	C$2.30	CH	C$	$0.21	$0.38	$1.38	11.0x	6.1x	1.7x	$0.89	$1.33	$2.61	2.6x	1.7x	0.9x
Zinc															
Breakwater	C$0.07	CH	C$	($0.03)	($0.05)	($0.02)	NEG	NEG	NEG	$0.03	($0.02)	$0.02	2.2x	NEG	3.3x
Horsehead	US$2.53	CH	US$	$0.11	($0.06)	($0.40)	23.0x	NEG	NEG	$0.45	$0.36	$0.21	5.6x	7.0x	12.0x
Diversified and Other															
Cameco	C$15.46	CH	C$	$1.77	$1.38	$1.75	8.7x	11.2x	8.8x	$2.42	$2.02	$2.56	6.4x	7.7x	6.0x
HudBay	C$5.23	CH	C$	$0.74	$0.20	$0.49	7.1x	26.2x	10.7x	$1.46	$0.75	$0.94	3.6x	7.0x	5.6x
Inmet Mining	C$14.85	CH	C$	$6.84	$5.43	$4.77	2.2x	2.7x	3.1x	$7.58	$7.28	$6.46	2.0x	2.0x	2.3x
Lundin	C$1.01	CH	US$	$0.37	($0.23)	$0.15	2.1x	NEG	5.2x	$0.91	$0.32	$0.74	0.9x	2.4x	1.1x
Sherritt	C$2.10	CH	C$	$0.95	$0.57	$0.83	2.2x	3.7x	2.5x	$1.87	$1.59	$1.89	1.1x	1.3x	1.1x
Teck Cominco	C$4.10	CH	C$	$3.70	$4.74	$4.26	1.1x	0.9x	1.0x	$5.48	$7.46	$6.80	0.7x	0.5x	0.6x
Special Situation															
Fortune	C$0.50	CH													
Polaris	C$1.80	CH	US$	($0.20)	($0.19)	($0.10)	NEG	NEG	NEG	($0.01)	($0.06)	$0.03	NEG	NEG	45.0x
Molybdenum															
Thompson Creek	C$3.27	IP	US$	$1.98	$0.84	$1.41	1.7x	3.9x	2.3x	$2.19	$1.41	$2.07	1.5x	2.3x	1.6x
General Moly	US$1.04	IP	US$	($0.21)	($0.26)	($0.26)	-4.9x	-4.0x	-4.0x	($0.11)	($0.07)	($0.07)	-9.4x	-14.8x	-14.8x
Mercator Minerals	C$0.35	IP	US$	($0.36)	$0.04	$0.82	-1.0x	8.8x	0.4x	($1.27)	($0.10)	$0.87	-0.3x	-3.5x	0.4x

Source: Bloomberg, CIBC World Markets.

Cliff Hale-Sanders, CFA
Ian Parkinson,
Terry Tsui, CFA

Investment Summary

General Moly is a company poised to transition into a major molybdenum producer over the next few years through the development of the Mt. Hope and Liberty (Hall-Tanopah) projects. We foresee deep value in both Mt. Hope and Liberty and anticipate the price of molybdenum remaining above historical prices. As of November 24, we are initiating coverage of General Moly with a Sector Performer rating and a 12- to 18-month price target of $1.95 per share based on 0.5x our NAV estimate for the Mt. Hope project.

We use what we believe is a conservative molybdenum price forecast and assume that General Moly will undertake necessary financing arrangements at current market prices. We also assume a half-warrant issue as part of any offering (obviously a very dilutive event given current market conditions). Should any alternatives to our financing assumptions become reality, our price target will be revised accordingly. At this time, we do not assign value to the Liberty asset but view it as a strong project that will likely reach commercial production sometime after 2013.

While we view Mt. Hope as a strong feasible project with positive economics, we are, however, forced to temper our enthusiasm simply because the project is not fully financed and we anticipate substantial difficulty in finalizing any financing arrangements in a timely manner in the current environment. The market for project finance has all but disappeared and there exists a real possibility of delay. Once project financing options become clearer we will re-examine our valuation.

Price Target Calculation

We are initiating coverage of General Moly with a Sector Performer rating and a 12- to 18-month price target of $1.95/share based on 0.5x our NAV estimate for Mt. Hope. We assign no value to Liberty at this time, as financing of this project is currently very uncertain. Our approach may be overly conservative but given today’s market conditions, prudence is best observed.

Key Risks To Price Target

Financing Risk

As of November 20, we estimate General Moly requires $547,200,000 to complete the construction of Mt. Hope. The required funding to be sourced by General Moly represents over 500% of the company’s current market cap. We view the existing hedge or floor price structure as a basis for conventional debt financing and valuation, but the market for this type of transaction has tightened and securing the financing in the current market will be exceedingly difficult. We view this risk as high.

Deeper-than-expected Economic Downturn

It has been well documented that the world is facing economic hardship. If the current economic situation worsens and sustains a longer-than-expected downturn, demand for all molybdenum-consuming end-products will be affected. We view this risk as modest.

Single-commodity Focus

General Moly's revenue is completely leveraged to the price of molybdenum. Single-commodity focus is both a blessing and a curse. The company is particularly exposed to any sustained downturn in the molybdenum price. Peers within the moly space have the opportunity to spread commodity price exposure over moly and copper, a practice that offers marginally higher price risk protection. Copper, for example, is easier to hedge, a practice that can mitigate risk. We view this risk as modest.

Construction, Execution And Capital Cost Creep

As Mt. Hope is not yet completed, several construction-related risks must be factored into any investment decision. Although many of the long lead-time items have been ordered and prices are fixed, the Mt. Hope project remains exposed to moderate capital or construction cost increases. Equipment under firm commitments represents $218 million of a total estimated $293 million required, leaving $75 million currently exposed to capital cost fluctuation. With falling commodity prices, the opposite may also prove true, saving General Moly capital. We view this risk as modest.

Project Delay

Our valuation of General Moly depends on the timely completion of Mt. Hope construction, with production beginning as planned in late 2010. Any delays to construction outside our assumptions will have a negative impact on the valuation of General Moly and must be considered before any investment decision. This situation may be exacerbated by difficulty in securing financing. We view this risk as modest.

Operating Cost Creep

As is the case with any mining project, General Moly's operations are exposed to fluctuations in operating costs over the life of the mine. We have attempted to compensate for this in our valuation, but there remains a risk that input prices will increase, rendering Mt. Hope less economic. Key inputs include diesel, electricity and labor. Energy accounts for approximately 70% of operating costs. Escalation in any of these costs greater than our assumed 2% annual cost creep will negatively impact the valuation of General Moly. We view this risk as modest.

Permitting Risk

As of November 20, General Moly has not received the complete list of Bureau of Land Management (BLM) approvals required to commence construction. Baseline studies are nearing completion or have been submitted for approval by the BLM. The EIS is scheduled to be submitted early in 2009 for final review. Without the necessary government sign-off, we view permitting as a risk that must be considered and included in any investment decision. We view this risk as low.

Credit Risk Of Joint-venture Partners

The credit and financial positions of partners and off-takers look strong. As a basis for borrowing, prospective lenders will pay close attention to the partner's ability to fulfill its portion of an off-take or capital investment agreement. A sustained downturn in the steel industry could put the partners in jeopardy and impact General Moly. We view this risk as low.

Public Rejection Of Increased Atomic Power Generation

We believe demand for molybdenum is tied to increasing usage of atomic power, especially in emerging markets. This growth in atomic power usage is tied to its public acceptance as a legitimate and safe source of power. If this public license is not forthcoming, demand for molybdenum will be impacted. We view this risk as minimal.

Structural Shift Away From Use Of Oil And Gas

We believe that the demand for moly is closely tied to oil and gas demand. If there is a sustained structural shift from oil and gas usage towards other forms of energy, demand for molybdenum will be impacted. We view this risk as minimal.

Summary Financial Statements

At this time we do not view General Moly as an earnings story. Our summary financial statements for General Moly, shown in Exhibits 14 through 16, reflect our assumptions for the base case used in our valuation in this report and should be viewed only as preliminary. Uncertainty remains about the timing and structure of project funding, which will likely include debt, equity, asset sale or a combination thereof.

Exhibit 14. General Moly – Consolidated Income Statement

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E	Dec. 31, 2011E	Dec. 31, 2012E
Revenue						
Molybdenum Oxide Sales	-	-	-	-	$414,000,000	$489,000,000
Total Revenue	**-**	**-**	**-**	**-**	**414,000,000**	**489,000,000**
Mining And Processing Costs		-	-	-	(178,669,980)	(192,756,928)
Operating Income	**-**	**-**	**-**	**-**	**235,330,020**	**296,243,072**
Other Costs And Expenses						
SG&A	$18,325,000	$12,000,000	$10,000,000	$10,000,000	10,000,000	10,000,000
Depreciation, Depletion And Amortization	185,000	300,000	300,000	300,000	153,168,889	167,718,889
Exploration And Development	20,660,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Interest On Long-term Liabilities	-	-	52,531,200	52,531,200	52,531,200	48,260,264
Royalty	-	-	-	-	0	0
Total Other Costs	**39,170,000**	**19,800,000**	70,331,200	70,331,200	223,200,089	233,479,153
Income (Loss) From operations	**(39,170,000)**	**(19,800,000)**	**(70,331,200)**	**(70,331,200)**	**12,129,931**	**62,763,919**
Interest And Dividend Income	1,305,000	2,066,000.00	-	-	-	-
Net Income (Loss) Before Taxes	**(37,865,000)**	**(17,734,000)**	**(70,331,200)**	**(70,331,200)**	**12,129,931**	**62,763,919**
Mineral Tax	-	-	-	-	606,497	3,138,196
Income Taxes	-	-	-	-		(40,125,242)
Net Income (Loss) For Period	**(37,865,000)**	**(17,734,000)**	**(70,331,200)**	**(70,331,200)**	**12,129,931**	**99,750,966**

Source: Company reports and CIBC World Markets Inc.

Exhibit 15. General Moly – Consolidated Balance Sheet

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E	Dec. 31, 2011E	Dec. 31, 2012E
Current Assets						
Cash And Cash Equivalents	$78,371,000	$49,080,000	($11,511,200)	($29,204,400)	$53,896,792	$269,004,579
Total Current Assets	**78,371,000**	**49,080,000**	**(11,511,200)**	**(29,204,400)**	**53,896,792**	**269,004,579**
Property Plant And Equipment	30,289,000	120,589,000	510,889,000	1,015,189,000	1,134,077,889	1,219,466,778
Deposits	0	25,000,000	50,000,000	0	0	0
Land Reclamation Bond	777,000	1,252,000	1,727,000	2,202,000	2,677,000	3,152,000
Total Assets	**110,287,000**	**195,921,000**	**551,104,800**	**988,186,600**	**1,190,651,680**	**1,491,623,356**
Current Liabilities						
Accounts Payable And Accrued Liabilities	7,457,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Post Closure Provisions	90,000	-	-	-	-	-
Current Portion Of Long-term Debt	62,000	0	0	35,591,132	39,862,068	44,645,516
Total Current Liabilities	**7,609,000**	**5,000,000**	**5,000,000**	**40,591,132**	**44,862,068**	**49,645,516**
Long Term Liabilities	151,000	343,000	160,343,000	698,103,000	662,511,868	622,649,800
Post Closure Provisions Net Of Current	422,000	-	-	-	-	-
Total Liabilities	**8,182,000**	**5,343,000**	**165,343,000**	**738,694,132**	**707,373,936**	**672,295,316**
Total Shareholders' Equity	**102,105,000**	**190,578,000**	**385,761,800**	**249,492,468**	**483,277,745**	**819,328,040**
Total Liabilities And Shareholders' Equity	**110,287,000**	**195,921,000**	**551,104,800**	**988,186,600**	**1,190,651,680**	**1,491,623,356**

Source: Company reports and CIBC World Markets Inc.

Exhibit 16. General Moly – Consolidated Cash Flow Statement

Year Ending	Dec. 31, 2007	Dec. 31, 2008E	Dec. 31, 2009E	Dec. 31, 2010E	Dec. 31, 2011E	Dec. 31, 2012E
Operating Activities						
Net Income (Loss) For The Year	($37,865,000)	($17,734,000)	($52,820,800)	($52,820,800)	$28,158,315	$91,284,207
Adjustments To Reconcile Net Income/Loss						
Depreciation, Depletion And Amortization	185,000	300,000	300,000	300,000	153,168,889	167,718,889
Services And Expenses Paid With Common Stock	304,000	-	-	-	-	-
Equity Compensation For Mgmt. And Directors	6,217,000	2,029,000	-	-	-	-
Cash From Operations	(24,510,000)	(15,405,000)	(70,031,200)	(70,031,200)	164,692,323	267,469,855
Financing Activities						
Proceeds From Issuance Of Stock	104,682,000	20,494,000	150,000,000	0	0	0
Net Increase In Debt	136,000	192,000	160,000,000	537,760,000	(35,591,132)	(39,862,068)
Proceeds From Strategic Partnership – POS		100,000,000	130,000,000	-	-	-
Cash Paid To POS – Purchase Price Adjustment		(2,994,000)	-	-	-	-
(Increase) Decrease In Restricted Cash		(41,578,000)	-	-	-	-
Cash From Financing Activities	104,818,000	76,114,000	440,000,000	537,760,000	(35,591,132)	(39,862,068)
Investing Activities						
Equipment Purchase Payments	(465,000)	-	-	-	-	-
Purchase Of Properties, Land And Water Rights	(18,578,000)	(90,000,000)	(390,000,000)	(485,422,000)	(46,000,000)	(12,500,000)
Deposits	(490,000)	-	-	-	-	-
Change In Restricted Cash	(286,000)	-	-	-	-	-
Cash Used In Investing Activities	(19,819,000)	(90,000,000)	(390,000,000)	(485,422,000)	(46,000,000)	(12,500,000)
Increase (Decrease) In Cash And Cash Equivalents	60,489,000	(29,291,000)	(20,031,200)	(17,693,200)	83,101,192	215,107,787
Cash And Cash Equivalents, Beginning Of Period	17,882,000	78,371,000	49,080,000	29,048,800	11,355,600	94,456,792
Cash And Cash Equivalents, End Of Period	78,371,000	49,080,000	29,048,800	11,355,600	94,456,792	309,564,579

Source: Company reports and CIBC World Markets Inc.

Appendix I. Management Team

Bruce D. Hansen, Chief Executive Officer

Mr. Hansen has served as Chief Executive Officer of General Moly since January 2007. Before joining the company he was Senior Vice-President, Operations Services from September 2005 to January 2007 and Senior Vice-President and Chief Financial Officer from July 1999 to September 2005 at Newmont Mining Corporation. Mr. Hansen has also held the position of Vice-President of Project Development for Newmont and Senior Vice-President of Corporate Development for Santa Fe Pacific Gold Corporation. He is a director of Energy Fuels Inc.

David A. Chaput, Chief Financial Officer

With over 27 years of financial and operational experience in the mining industry, Mr. Chaput has been Chief Financial Officer for General Moly since April 2007. He previously served as Chief Financial Officer, Vice-President, Finance, Treasurer, and Manager of Credit and Financial Services with The Doe Run Resources Corporation between June 1987 and September 2006.

Robert I. Pennington, Vice-President Engineering & Construction

Mr. Pennington has served as Vice-President of Engineering and Construction since October 2007. Prior to joining General Moly, he owned a consulting firm and, prior to this, he was Chief Operating Officer of M3 Engineering & Technology. Mr. Pennington has in excess of 27 years of mining experience.

Andrew J. Russell, Vice-President Project Development

Serving in the capacity of Vice-President of Project Development since September 2007, Mr. Russell was previously Director of Projects and Operations for General Moly from August 2006 to September 2007. From March 2004 through August 2006, Mr. Russell owned ARM Aerospace, LLC, a fabricated heavy lifting equipment/commercial development company, and provided market research consulting services to General Moly. From 1999 through 2004, Mr. Russell was employed by Honeywell International serving as an Airframe Systems Platform Leader.

Greg McClain, Vice-President Business Development And Marketing

Mr. McClain has served as Vice-President of Business Development and Marketing since September 2007. Before joining General Moly, Mr. McClain spent 11 years at Fabricated Products, Inc., a wholly owned subsidiary of Doe Run Resources Corporation, as Executive Vice President.

Daniel G. Zang, Controller & Treasurer

With 30 years of accounting, auditing and financing experience, Mr. Zang has been Controller since June 2007 and Controller and Treasurer since October 2007 for General Moly. He was previously employed with Hubble Homes where he was Chief Financial Officer from June 2004 to April 2007. His previous employers include PeopleSoft/J.D. Edwards & Company, M.D.C. Holdings, Inc., Cyprus Minerals Company, Price Waterhouse and Fox & Company.

Our EPS estimates are shown below:

	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Yearly
2008 Current	--	--	--	--	($0.21E)
2009 Current	--	--	--	--	($0.26E)
2010 Current	--	--	--	--	($0.26E)

Appendix I. What Lies Beyond The Next Wave Of Projects?

We believe that the current crop of standout molybdenum projects will, for the most part, be built. Debt markets will recover, conventional project financing will reappear as a realistic financing option, and we'll all move forward. Quality projects will be built but likely delivered behind the aggressive schedules currently in place. So what lies ahead for molybdenum supply?

We believe that in the next few years 18 million lb.–20 million lb. of annual production increases will be required to feed the demand side of the equation. The current list of development-stage projects – those with a bankable feasibility and somewhat proven economics – is quite limited. Once Spinifex Ridge, Mt. Hope, Liberty, Davidson and Climax are established in the supply mix in whatever form, additional supply will be required beyond the 2013–2014 periods. Enter the current crop of explorers.

During the current market downturn there is perhaps no more negatively impacted group than the once high-flying "explorer companies." As we know, exploration phase-focused companies can be as much promote as substance. In our view, a few of the current crop stand a better-than-average chance of delineating and developing an economic deposit that will be either robust enough for development by the current team or accretive to other players within the molybdenum space.

We outline in the following pages several companies that are either at the stage of exploration and resource delineation or the early steps of development. These companies and their projects, we feel, have shown the potential to develop into something more tangible and potentially economic over the coming years. This is by no means a comprehensive review of all the explorationists now focused on molybdenum; it's simply an idea of who the players are and which ones have the potential, given time, funding and a modest amount of luck, to be players in molybdenum production over a longer-term horizon and over time comprise the upper quartile of development projects.

The screen was based on; has the company performed a critical mass of drilling and returned results indicating the potential for a deposit of greater than 100 million tonnes of ore at grades similar to or higher than currently operating mines of the same scope? Is there existing historical or current economic assessment available as a reference point for the economic potential of the deposit? Is the company currently developing a project in a jurisdiction with some hope of actually approving a mining operation and is it serviced with reasonable access to power, water and labor?

The presented information is taken from company news releases and public information sources.

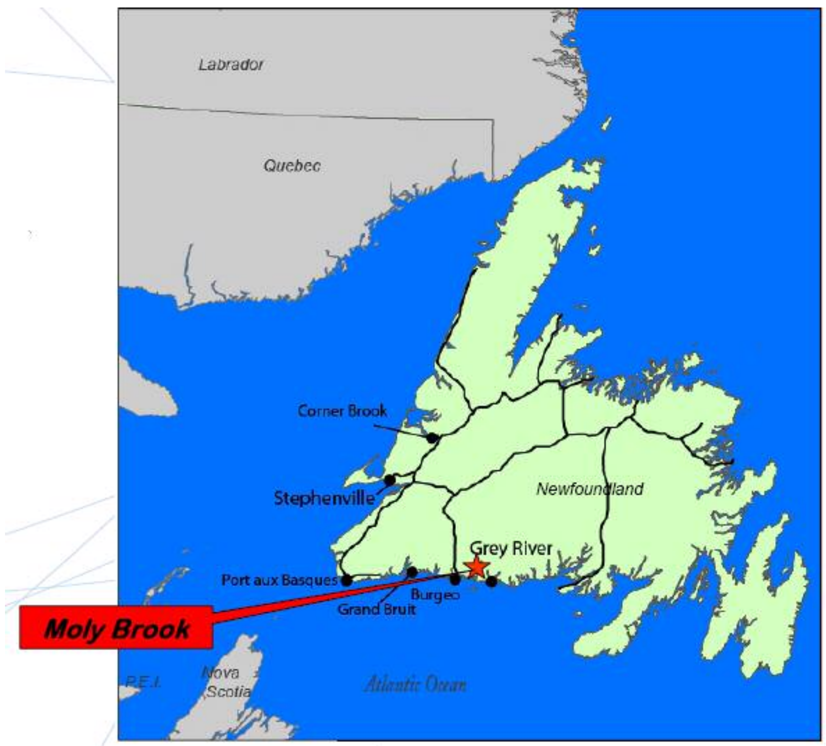
Tenajon Resources (TJS–TSX–V)

Tenajon Resources Corp. is a junior mineral exploration company focused on the acquisition, exploration and development of molybdenum properties in North America. At present, Tenajon has three wholly owned molybdenum properties: 1) the Ajax property in British Columbia; 2) the Burn property, also in British Columbia; and, 3) the Moly Brook property in Newfoundland.

Moly Brook Project

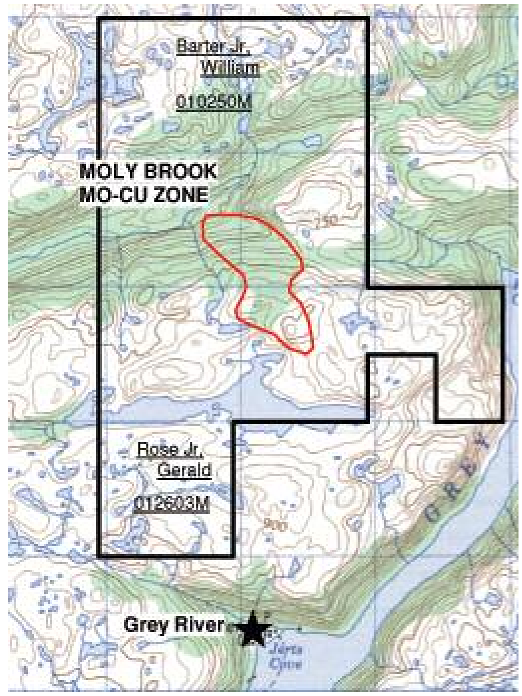
The Moly Brook Project is located on the south coast of Newfoundland approximately 2.5 km northwest of the Hamlet of Grey River, only 4 km from a deep-water, ice-free fjord. Grey River has daily provincial ferry access, enabling easy movement of people, equipment and supplies. Float planes and helicopters supplement the ferry service.

Exhibit 1. Moly Brook – Location



Source: Company reports.

Exhibit 2. Moly Brook Claims



Source: Company reports.

Geological Characteristics & Mineralization

- Moly Brook is located at the north end of a 2.5 km-long trend of sheeted quartz veining, stockwork and fracturing in which three zones, Moly Brook, Wolf and Chimney Ponds, have been identified

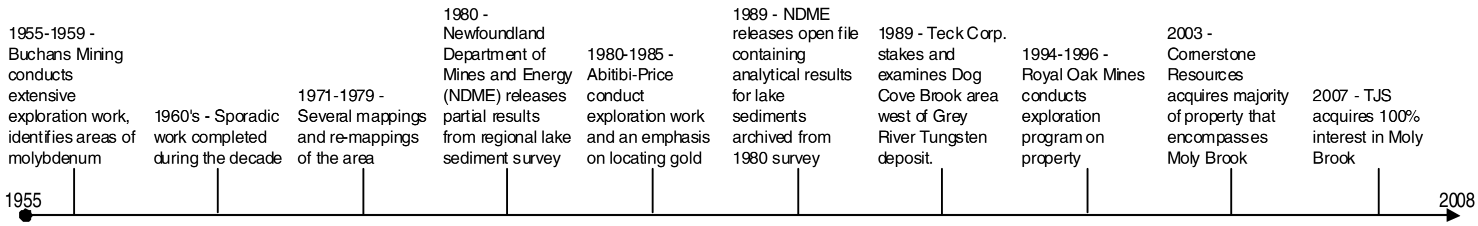
- Molybdenite is hosted within the veins, stockwork and fracture structures typical of porphyry-style molybdenum deposits.

- Mineralization at the Moly Brook property can be defined as three different areas: 1) a porphyry-style Mo-W-Cu-Bi mineralization at the Moly Brook zone; 2) sheeted quartz-molybdenite veining south of the Moly Brook zone (south side of Long Pond at Wolf Pond and Chimney Pond); and, 3) peripheral gold sulphide-bearing quartz veins and silicified zones east and north of the Moly Brook deposit.

Project History

Molybdenum was initially discovered at Moly Brook in 1956, but it was not until 1995 while Royal Oak Mines was exploring for gold deposits that the potential of the property to host a significant molybdenum deposit was identified. Tenajon acquired the Moly Brook property on April 10, 2007, and subsequently an extension of the property on May 8 that same year. Additional claims were purchased in 2008 and acquired through staking.

Exhibit 3. Moly Brook – Timeline



Source: Company reports and CIBC World Markets Inc.

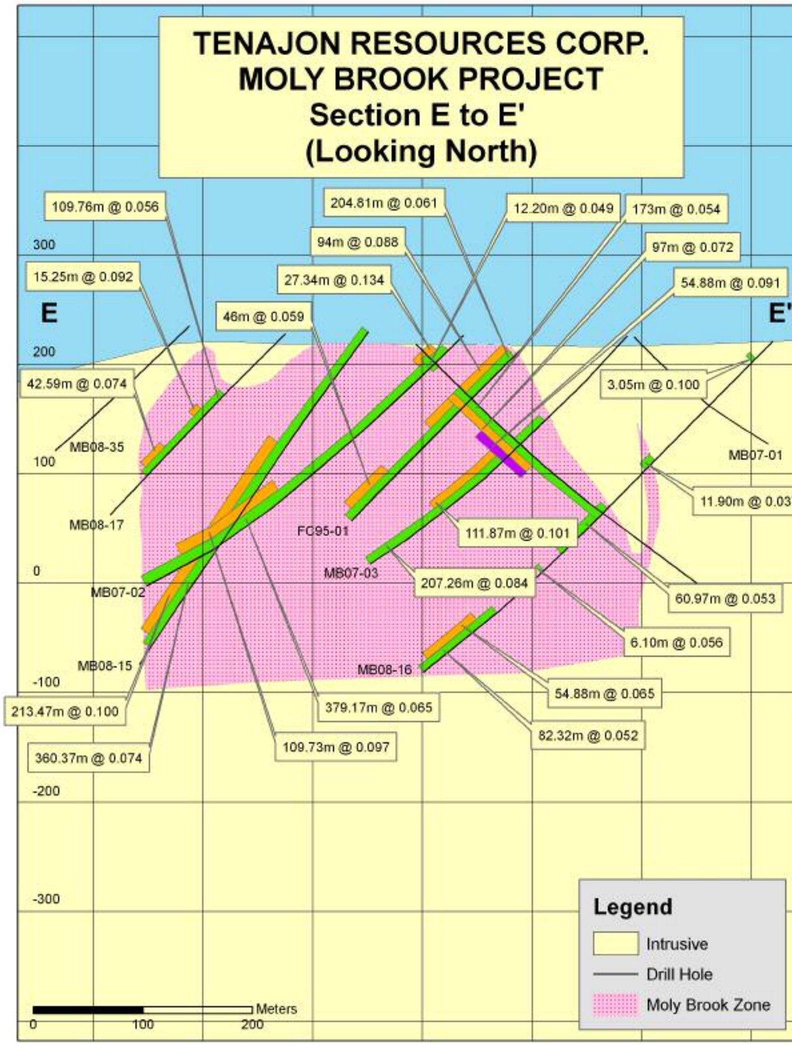
Current Exploration Program

Expanding on the potential molybdenum-copper mineralization discovered by Royal Oak Mines, Tenajon has subsequently completed a 36-drill-hole program totaling 13,633 meters that has reported solid, near-surface, high-grade molybdenum values. Results include drill intercepts of 217 meters, 213.5 meters and 112.81 meters, respectively, averaging 0.097%, 0.100% and 0.110% molybdenum. Indications are that the Moly Brook property has the potential to host a significant bulk-tonnage molybdenum deposit.

Exploration Highlights

Recent drilling campaigns over 2007 and 2008 indicate the potential for a large bulk minable molybdenum deposit. Compared to other operations globally, ore grade intersections several hundred meters in length have been seemingly outlined.

Exhibit 4. Moly Brook Section "E"

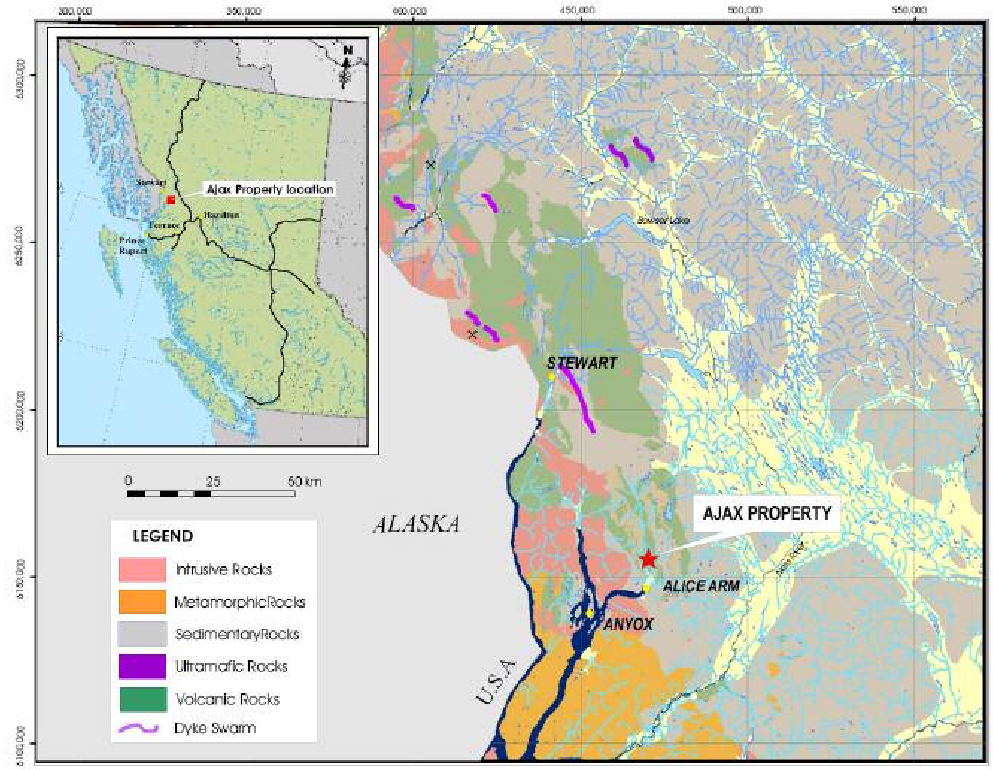


Source: Company reports.

Ajax Moly Property

The Ajax Moly property is an advanced exploration-stage molybdenum property located in British Columbia, approximately 13 km north of the hamlet of Alice Arm. Situated on the eastern side of Mount McGuire, the Ajax Moly property is 100% owned by Tenajon Resources.

Exhibit 5. Ajax Moly – Location



Source: Company reports.

Geological Characteristics & Mineralization

- Characterized as an area of intense igneous activity, the Ajax Moly property is located within the Intermontane Tectonic Belt in the near vicinity of the eastern contact of the Coast Plutonic Complex.
- It is classified as a porphyry molybdenum deposit (Low-F-Type) characterized by stockwork of molybdenite-bearing quartz veinlets and fractures in intermediate to felsic intrusive rock and associated country rocks.
- Higher-grade molybdenite occurs in areas of high fracture density where a stockwork of quartz veining is well developed.
- Deposit remains open laterally and at depth.
- According to management, the Ajax Moly property remains a lower priority than Moly Brook.

Exhibit 6. Ajax Moly – Reserve & Resource Summary (0.04% Cut-off Grade)

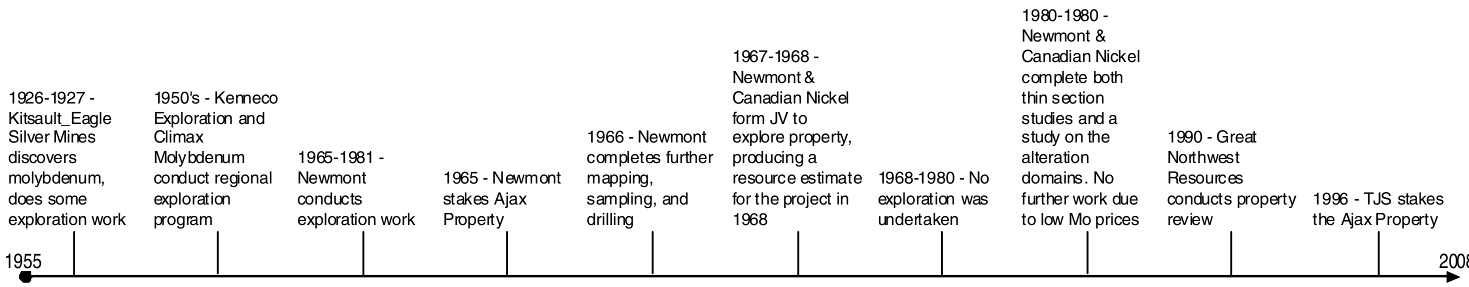
		Tonnes (000)	Grade %	Lb. (000)
Resources	Indicated	69,000	0.065	98,877
	Inferred	483,120	0.061	649,772
		552,120	0.062	748,650

Source: Company reports and CIBC World Markets Inc.

Project History

Molybdenum was discovered on the Ajax Moly property in 1926, but low molybdenum prices at the time impeded further development. Most of the exploration data for the property was collected between 1965 and 1967, outlining a large molybdenum deposit.

Exhibit 7. Ajax Moly – Project Timeline



Source: Company reports and CIBC World Markets Inc.

Current Exploration Program

Tenajon completed its 2007 drilling program in November 2007 with 13 drill holes and a total of 2,639 meters drilled. Extensive sections containing molybdenum values were intersected near surface with higher-grade molybdenum located along a 580-meter strike length. The deposit has also demonstrated good down-dip continuity. Drilling indicated an average molybdenum grade of 0.063% (based on a 2007 drill program).

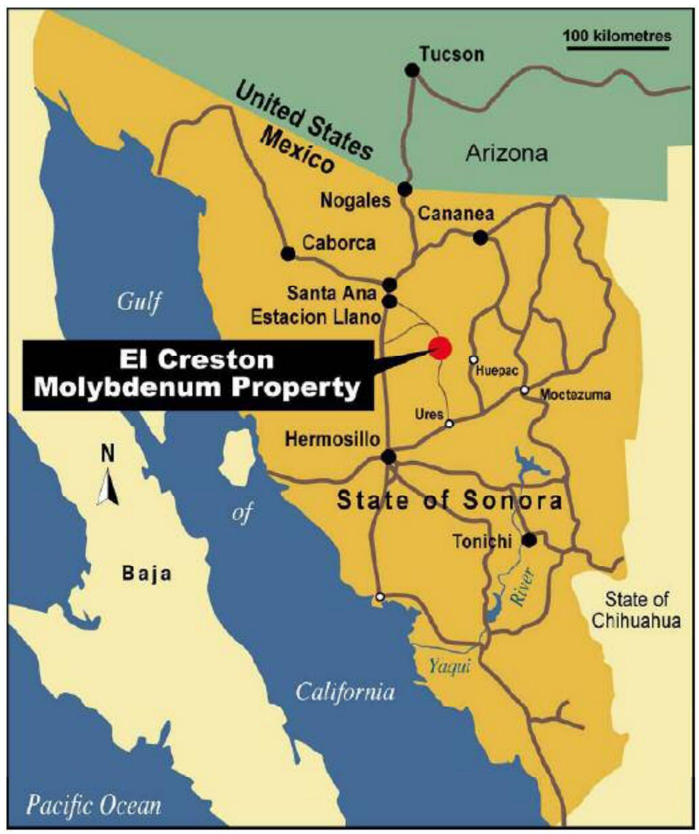
Creston Moly (CMS–TSX–V)

Creston Moly Corp. (formerly Georgia Ventures Inc.) is a Canadian-based junior mineral exploration company engaged in the evaluation, exploration and development of the Creston molybdenum deposit in Sonora, Mexico. On May 16, 2007, Creston Moly acquired Creston Mining Corporation and its wholly owned Mexican subsidiary, Exploraciones Global S.A. de C.V., which owned a 100% interest in the Creston deposit.

Creston Property

The Creston property is located in northwestern Mexico, in the state of Sonora. An extension of the porphyry copper province of the southwestern United States, this region is widely known as the Sonoran desert.

Exhibit 8. Creston Project Location



Source: Company reports.

Geological Characteristics & Mineralization

- Classified as a porphyry molybdenum Low-F-Type deposit.
- Most of the molybdenum mineralization can be traced within the Proterozoic Creston Granite, as disseminations in quartz stockwork or in the matrix of breccia zones within areas of intense phyllic alteration. The prevalent mineralization at Creston is composed of molybdenite and pyrite with minor amounts of chalcopyrite.

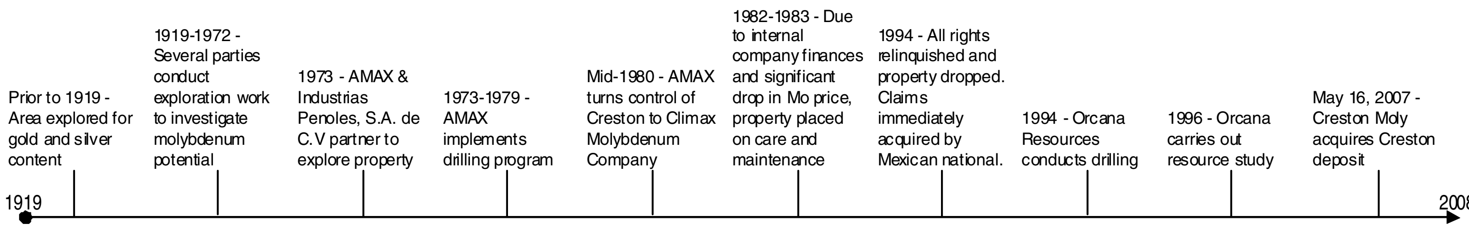
- Potentially economically noteworthy copper mineralization can be found as a fairly irregular secondary enrichment blanket, spatially separated above and to the southwest, relative to the area of molybdenum mineralization.

Structurally, the most important feature at Creston is a low angle fault (Creston fault) that separates altered and mineralized upper plate rocks from lower plate lithologies.

Project History

Host to an extensive exploration history, the Creston deposit was advanced to the feasibility stage by American Metal Climax (Amax) but abandoned due to a weak molybdenum market at the time.

Exhibit 9. Creston Project – Timeline



Source: Company reports and CIBC World Markets Inc.

Evaluation Report

On January 3, 2008, Creston Moly released a revised evaluation report on the Creston property, including assessments of the property by previous consultants. As further investments are made into the property a feasibility study will be undertaken.

Creston Moly announced the completion of a new resources estimate for the Creston property on October 28, 2008. The new estimate defines total measured and indicated resources of 176.9 million tonnes with average molybdenum and copper grades of 0.071% and 0.046%, respectively. Also identified within the eastern section of the deposit is a near-surface, high-grade breccia that could contribute higher cash flows in the earlier stages of production. Resources from the Red Hill Zone were not included in the new resource estimate.

Exhibit 10. Creston Resource Summary

Main Zone (At A 0.03% Mo Equivalent Cut-off)

		Tonnes (000)	Mo Grade %	Cu Grade %	Mo (000 lb.)	Cu (000 lb.)
Resources	Measured	52,240	0.074	0.050	85,490	58,080
	Indicated	124,650	0.070	0.044	192,720	121,060
	Total M&I	176,890	0.071	0.046	278,210	179,140
	Inferred	16,300	0.051	0.061	18,320	21,860

East Breccia Of Main Zone (At A 0.03% Mo Equivalent Cut-off)

		Tonnes (000)	Mo Grade %		Mo (000 lb.)	
Resources	Measured	8,000	0.101		17,810	
	Indicated	11,130	0.095		41,110	
	Total M&I	19,130	0.098		730	
	Inferred	480	0.068		730	

Source: Company reports and CIBC World Markets Inc.

CIBC World Markets

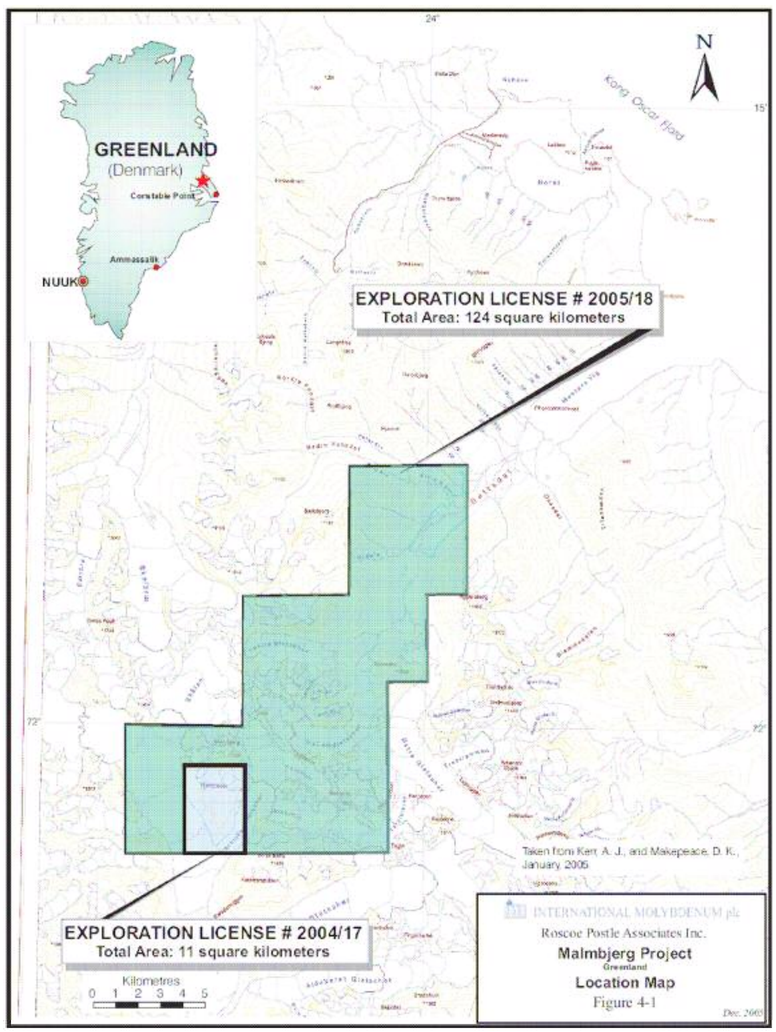
Quadra Mining (QUA–TSX)

Quadra Mining Ltd. is a Canadian-based mining company with multiple copper- and base metals-producing properties. Quadra owns and operates the Robinson Mine near Ely, Nevada, where it produces copper and gold and is commencing operations at its second copper producing asset, the Carlota copper project located in Globe/Miami, Arizona. The two main development projects owned by Quadra are the Sierra Gorda advanced exploration copper-molybdenum project and the Malmbjerg molybdenum development project, located in Chile and Greenland, respectively.

Malmbjerg Project

The Malmbjerg Project is located on the east coast of Greenland, 200 km due northwest of Scoresbysund. Approximately 700 km southeast of Malmbjerg is Reykjavik, Iceland, the nearest city with international port and air transport. Quadra owns 98.2% of International Molybdenum, and its 100% owned Malmbjerg molybdenum project.

Exhibit 11. Malmbjerg – Location



Source: Company reports.

Geological Characteristics & Mineralization

- The Malmbjerg deposit is hosted in Mid-Tertiary leuco-granitic stockwork and clastic sedimentary rocks of the Lower Permian Rode Group. Intrusive rocks are comprised of different phases – perthite granite, quartz porphyry, porphyritic aplite, and weakly feldspathic quartz porphyry.

- The Malmbjerg porphyry molybdenum deposit has similarity to the Climax deposit in Colorado.

Exhibit 12. Malmbjerg – Reserve & Resource Summary (100%)

Measured And Indicated Resource

Cut-off (% MoS_2)	Tonnes (000)	Grade (% MoS_2)
0.28	13,300	0.306
0.26	24,800	0.289
0.24	45,300	0.271
0.22	69,500	0.257
0.20	97,900	0.243
0.15	173,100	0.214
0.12	216,800	0.198

Inferred

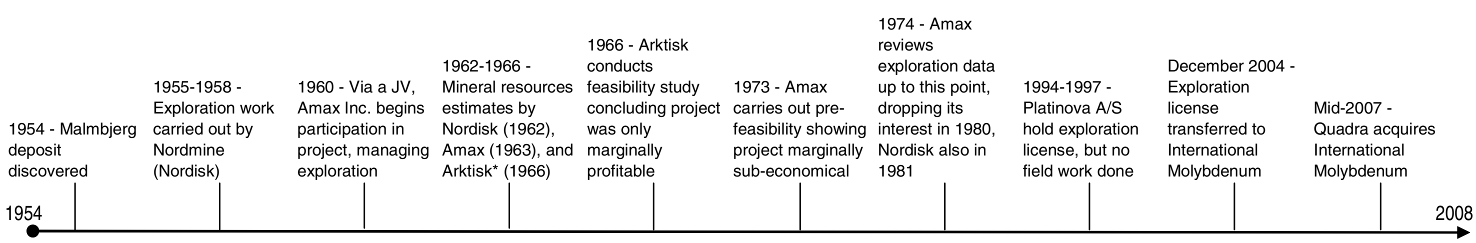
Cut-off (% MoS_2)	Tonnes (000)	Grade (% MoS_2)
0.28	--	--
0.26	--	--
0.24	--	--
0.22	50	0.231
0.20	349	0.211
0.15	5,849	0.172
0.12	12,003	0.153

Source: Company reports and CIBC World Markets Inc.

Project History

Historically, the main issue hindering the development of the Malmbjerg Project has been economics, with previous studies indicating the project to be, at best, marginally feasible given the isolation and distance from markets, power and a trained workforce.

Exhibit 13. Malmbjerg – Project Timeline



* 1962 - The JV between Amax Inc. and Nordisk was called Arktisk Minekompagni A/S

Source: Company reports and CIBC World Markets Inc.

Project Outlook

Development work for the Malmbjerg Project was originally budgeted for $12 million for 2008–2009, with several key milestones to be completed, including an NI 43-101 reserve estimate and a complete interim feasibility study. Quadra is in the process of obtaining an Exploitation License for the Malmbjerg Property from the Greenlandic Bureau of Minerals and Petroleum (BMP). Quadra management announced in the company's recent third quarterly update that the development timeline for Malmbjerg looks to be in question given current market conditions.

Estimated operating parameters provided by the company have outlined a mine life of 15 to 20 years. Throughput is expected to be 25,000 tonnes per day to 30,000 tonnes per day, with a recovery of 86% and concentrate of 55% molybdenum (low impurity levels), for annual production of 16 million lb.–23 million lb. of moly.

With initial indications of capital costs and working capital of approximately $1 billion, consideration of a partnership(s) may be required to advance this project. The company has tentatively projected production to commence in 2012.

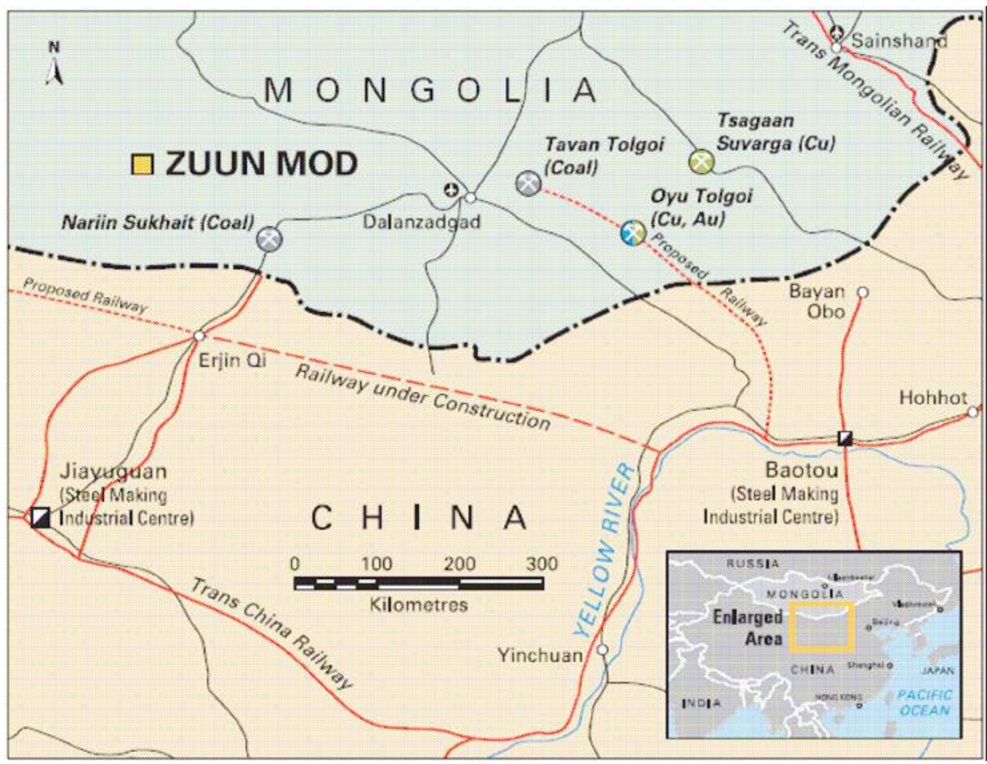
Erdene Resource Development (ERD–TSX)

Erdene Resource Development is a diversified mining company with a number of exploration-stage projects in Mongolia, as well as North American properties for coal, kaolin and aggregate assets.

Zuun Mod Project

The Zuun Mod Project is located in the South Gobi region of southwestern Mongolia, 180 km north of China, where several major coat and metal projects are operating or being developed. The project is well positioned, with close proximity to newly constructed rail and power infrastructure and the steel-making industry in China. Erdene wholly owns the property, holding the single exploration license, called the Khuvyn Kar, which covers the 49,538 acre property.

Exhibit 14. Zuun Mod – Location



Source: Company reports.

Geological Characteristics & Mineralization

- The Zuun Mod deposit bears resemblance to porphyry molybdenum deposits of British Columbia and Southeast Alaska, with the distinction of being smaller but of higher grade. Opportunities exist for high-grading if market conditions dictate.
- There are indications of high-grade zones within 18 meters of surface at Racetrack North Zone and within 34 meters at the Racetrack South Zone.

- Delineation of molybdenum mineralization over a 3 km distance, with mineralization exposed to the north, the west and at depth.
- Copper mineralization is generally located, with molybdenum mineralization within the South Corridor having average grades of 0.068% copper (1:1 to 1.5:1 Cu to Mo ration).

Exhibit 15. Zuun Mod – Reserve & Resource Summary (0.04% Cut-off Grade)

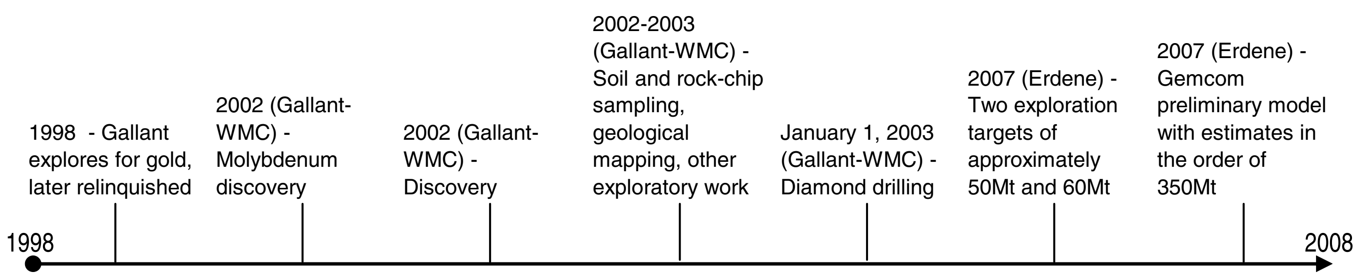
	Tonnes (000)	Cu %	Mo %	Mo (000 lb.)
Measured	185,900	0.068%	0.053%	217,000
Indicated	51,200	0.068%	0.051%	58,000
Total M&I	237,100	0.068%	0.052%	272,000
Inferred	49,700	0.063%	0.047%	51,000

Source: Company reports and CIBC World Markets Inc.

Project History

During a relatively short project history, the Zuun Mod Project has had two primary owners. Gallant Minerals held the exploration license for Zuun Mod from 2002–2003, when the bulk of the exploration work was conducted on the property, and for a brief period in 1998. This license was subsequently acquired by Erdene Resource in early 2005.

Exhibit 16. Zuun Mod – Project Timeline



Gallant-WMC refers to an agreement between Gallant Minerals Mongolia Ltd. and WMC Resources Pty. Ltd. signed in April 2002

Source: Company reports and CIBC World Markets Inc.

Project Update

Erdene's 2008 drilling program for Zuun Mod has accomplished two of its primary objectives: 1) determining if the high-grade molybdenum zones continue at depth; and, 2) exploring secondary areas to the main deposit. Molybdenum mineralization extends 100 meters to 200 meters farther than previously drilled and intersects 373 meters of 0.064% molybdenum from five step-out holes. A revised resource estimate is anticipated in Q1/2009.

Erdene Resource has also commissioned Minarco-MineConsult to complete a preliminary assessment study, expected towards the end of 2008.

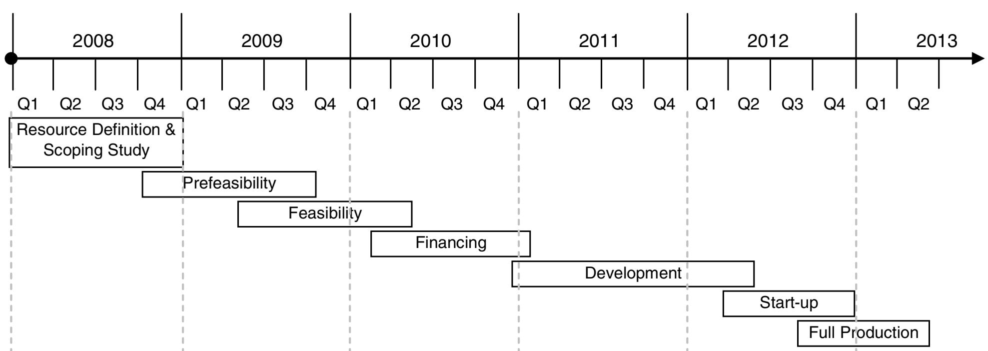
Exhibit 17. New Drill Results For Racetrack Zone

	From	To	Width (m)	Cu (%)	Mo (%)
ZMD-24	119	350	231	0.082	0.065
Extended	**119**	**492**	**373**	**0.068**	**0.064**
Including	181	215	34	0.121	0.101
Including	227	251	24	0.124	0.101
Including	356	376	20	0.073	0.124
ZMD-39	40	350	310	0.047	0.053
Extended	**40**	**450**	**410**	**0.046**	**0.057**
Including	92	112	20	0.062	0.18
Including	242	270	28	0.063	0.103
Including	310	346	36	0.065	0.112
Including	**360**	**406**	**46**	**0.052**	**0.105**
ZMD-57	146	350	204	0.069	0.056
Extended	**146**	**545**	**399**	**0.075**	**0.055**
Including	194	214	20	0.091	0.104
Including	274	288	14	0.084	0.104
ZMD-59	64	102	38	0.035	0.04
And	128	350	222	0.055	0.041
Extended	**128**	**550**	**422**	**0.056**	**0.042**
ZMD-70	292	350	58	0.065	0.05
Extended	**292**	**450**	**158**	**0.057**	**0.042**
ZMD-72	212	350	138	0.103	0.06
Extended	**212**	**450**	**238**	**0.089**	**0.047**
Including	234	260	26	0.112	0.104
ZMD-79	22	350	328	0.067	0.058
Extended	**22**	**450**	**428**	**0.066**	**0.06**
Including	212	278	66	0.101	0.103
Including	338	350	12	0.097	0.243
Extended	**338**	**408**	**70**	**0.073**	**0.11**

*Bolded lines indicate new or extended zones.

Source: Company reports and CIBC World Markets Inc.

Exhibit 18. Zuun Mod – Proposed Timeline



Source: Company reports and CIBC World Markets Inc.

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Cameco Corporation (2g) (CCO-TSX, $18.43, Sector Outperformer)
Chariot Resources Limited (2a, 2c, 2e, 2g) (CHD-TSX, $0.10, Sector Outperformer - Speculative)
Equinox Minerals Limited (2g) (EQN-TSX, $1.36, Sector Performer)
First Quantum Minerals Ltd. (FM-TSX, $16.47, Sector Outperformer)
FNX Mining Company Inc. (FNX-TSX, $2.44, Sector Outperformer)
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Goldcorp Inc. (2a, 2e, 2g) (GG-NYSE, US$26.98, Sector Outperformer)
Horsehead Holdings Corp. (2a, 2d) (ZINC-NASDAQ, US$2.83, Sector Underperformer)
Hudbay Minerals Inc. (2a, 2e, 7) (HBM-TSX, $3.61, Sector Outperformer)
Inmet Mining Corporation (2g, 7) (IMN-TSX, $16.59, Sector Performer)
Lundin Mining Corporation (7) (LUN-TSX, $1.08, Sector Performer)
Mercator Minerals Ltd. (ML-TSX, C$0.43, Sector Performer)
Polaris Minerals Corporation (2a, 2e, 2g) (PLS-TSX, $1.70, Sector Performer)
Sherritt International Corporation (2a, 2c) (S-TSX, $1.97, Sector Outperformer)
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Antofagasta (ANTO-L, £422.00, Not Rated)
ArcelorMittal (MT-NYSE, $21.23, Not Rated)
Auzex Resources Limited (AZX-AUS, A$0.30, Not Rated)
AVANTI MINING INC (AVT-TSX, $0.15, Not Rated)
BHP Billiton Ltd. (BHP-NYSE, US$33.70, Not Rated)
BOLERO RESOURCES CORP (BRU-V, C$0.02, Not Rated)
CHINA MOLYBDENUM CO LTD-H (3993-HK, [HKD]2.35, Not Rated)
COLUMBIA YUKON EXPLOR INC (CYU-V, $0.14, Not Rated)
CRESTON MOLY CORP (CMS-V, C$0.13, Not Rated)
Erdene Resource Development Corp (ERD-TSX, C$0.15, Not Rated)
ExxonMobil Corporation (XOM-NYSE, $77.84, Not Rated)
First Nickel Inc. (FNI-TSX, C$0.05, Not Rated)
Ford Motor Company (F-NYSE, US$1.56, Not Rated)
Freeport-McMoRan Copper & Gold Inc. (FCX-NYSE, US$21.68, Not Rated)
Grupo Mexico (GMEXICOB-MX, [MXP]7.54, Not Rated)
Inca Pacific Resources Inc. (IPR-V, C$0.13, Not Rated)
JINDUICHENG MOLYBDENUM CO -A (601958-SS, [CNY]9.31, Not Rated)
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Monterrico Metals Plc (MNA-L, p41.00, Not Rated)
NANIKA RESOURCES INC (NKA-V, C$0.03, Not Rated)
Nissan Motor Co. Ltd. (NSANY-OTC, US$7.47, Not Rated)
Pacific Booker Minerals Inc. (BKM-V, C$4.00, Not Rated)
Quadra Mining Ltd. (QUA-TSX, C$2.81, Not Rated)
SeAH Steel Corp (003030-KS, [KRW]34900.00, Not Rated)
Sojitz (2768-T, ¥134.00, Not Rated)
Rio Tinto plc (rio-L, p2458.00, Not Rated)
ROCA MINES INC (ROK-V, C$0.31, Not Rated)
Taseko Mines Ltd. (TKO-TSX, C$0.97, Not Rated)
Tenajon Resources Corp. (TJS-V, C$0.06, Not Rated)
Thor Mining plc (THR-AUS, A$0.30, Not Rated)
Toyota Motor Corp. (TM-NYSE, US$65.75, Not Rated)
TORCH RIVER RESOURCES LTD (TCR-V, $0.03, Not Rated)
TTM RESOURCES INC (TTQ-V, $0.19, Not Rated)
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