INDEPENDENT INVESTMENT ReSEARCH

Initiating Coverage with a Speculative Buy Recommendation

Kareg Research

114 East 98th Street
New York, NY 10004
sstanalyst@gmail.com

Sheldon S. Traube
Director of Research
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American CuMo Mining Corporation
(MLY -TSX Venture Exchange)
(MLYCF – Pink Sheets)

Target Price U.S.$1 per share

Recent Price	U.S. $0.067-0.08
52 Week Range:	U.S. $0.051-0.16
Est. 2018* EPS	P/E negative
Market Capitalization	U.S. $10 million
Average Daily Volume	89,234 shares
Management/Insider Ownership/Family	16%
Institutions	15%
Retail	69%
Corporate Address	638 Millbank Road Vancouver, BC V5Z 4B7 1-800-567-0873
*Fiscal Year end	June 30

CAPITALIZATION (as of March 31, 2018 CAD$)	
Current Liabilities	**$415,643**
Stockholders' Equity	**$15,177,571**
Total Assets	**$27,781,782**
Total Liabilities	**$12,694,231**
Shares Outstanding	**152,300,045**
Fully diluted shares (as of fiscal year end June 30)	**230 million**

American CuMo Mining Corporation: Summary and Conclusion

American CuMo Mining Corporation is an attractive purchase for risk-oriented accounts seeking above-average potential appreciation based upon the following considerations.

Highlights

American CuMo Mining Corporation ("CuMoCo" or the "Company" or "MLY") is a Canadian-based mining company advancing two U.S. projects: the world-class CuMo Project, and the Calida Gold Project, both in Boise, Idaho. The CuMo property, located 35 miles northeast of Boise in south-central Idaho comprises a total of 344 claims covering an area of 28.7 sq. Km (3,700 acres) in the mountains of south-central Idaho.

1. The CuMo Project is considered to be the largest un-mined open-pit molybdenum deposit in the world, the largest silver, tungsten, and rhenium deposit in the U.S., one of the five largest copper deposits in the U.S., and among the top 25 silver deposits in the world.

2. **T**he CuMo Project has two distinct layers of diversification: the upper half contains higher grades of silver and copper compared to molybdenum, the lower half is rich in molybdenum, with lower grades of silver and copper. The total recoverable value of both layers is what gives the CuMo Project excellent economic potential.

3. The CuMo Project, unlike many of the world's leading projects, is in a politically stable, business-friendly area, located in an area heavily mined and logged over the past 100 years with good infrastructure, including power and roads. There is excellent year-round road access via federal, state and county roads from Idaho City, located just 15 miles southwest of the property.

4. Molybdenum has been a crucial part of national defense since World War II as a critical metal used in armored vehicles, water vessels, aircraft and body armor. Infrastructure applications for molybdenum include constructing, repairing or replacing bridges, tunnels, railways, buildings, pipelines and airports. Emerging molybdenum innovations include next-generation lithium-ion batteries with expanded capacity and extended lifespan, a potentially viable alternative to silicon in semiconductors which may facilitate two-dimensional applications, water purification, and advancing X-ray technology to an atomic and molecular scale. Currently, China controls an estimated 56 percent of the world's molybdenum compared to 18 percent by the U.S.

5. During the recent downturn in molybdenum prices, significant supply has been removed from the market. With the expected increase in demand, Molybdenum prices similar to lithium, and /or cobalt could rise substantially over the next few years.

6. In February 2018, the Trump Administration added tungsten and rhenium to the critical minerals list that contains 35 minerals considered crucial to the U.S. economy and national security. Rhenium is most cost-effectively produced as a by-product of molybdenum processing.

7. Idaho CuMo Mining Corporation (ICMC) launched a campaign earlier in February to add molybdenum to the 2018 Critical Minerals list which would afford special protections for the strategic metal and bring needed attention to the permitting and development of the CuMo Project and other domestic molybdenum projects.

8. Since 2004, CuMoCo has drilled 121,700 feet (37,094 meters) in 68 holes. Additionally, the Company completed three resource calculations, two Preliminary Economic Analyses (PEAs) and a metallurgical test program.

9. In November 2015, the Company filed an updated NI43-101 compliant technical report, from the previous estimate calculated in 2011 by Snowden Mining Industry Consultants.

	Moly Oxide	Molybdenum Metal	Copper	Silver	Tungsten
Measured and Indicated	2,391M lbs	1,594M lbs	3,958M lbs	179M ounces	197M lbs
Inferred	2,427M lbs	1,618M lbs	3,856M lbs	190M ounces	217M lbs
Estimated Annual	Rhenium	Molybdenum	Copper	Silver	Tungsten
Production	2,103 kilograms	69M lbs	92M lbs	3.1M ounces	N/A

10. In the second half of 2015, CuMoCo decided to evaluate the possibility of applying ore-sorting techniques to the CuMo Project. Ore-sorting is a technique primarily used by large copper and gold porphyry deposits such as Goldcorp, BHP Billiton and Highland Valley to achieve significant economies of scale, higher production rates and higher returns to shareholders. Ore-sorting enables the separation of material that contains valuable content from waste material and allows for upgrading mineral-bearing rock of large particle sizes, generally between 250mm and 10mm (1 to 4 inches) and involves evaluating the mineral content of individual rocks as they pass through an x-ray sensor, then separating them into “Accept” and “ Reject” fractions, based on predetermined selection criteria, such as density or actual copper and molybdenum grades.

    The CuMo Project is a stockwork vein deposit, consisting of narrow veins containing molybdenum and/or copper mineralization, bounded by lots of waste material. Only 10%-20% of the material contains valuable contents making CuMo a perfect candidate for ore-sorting. Tests on 400 samples indicated that an increase in grade processed of over 2.5 times can be achieved at the same production rate of 150,000 tons per day. This results in the reduction in the cost to produce a pound of molybdenum.

11. The Company commissioned the 2018 NI 43-101 Preliminary Economic Analysis (PEA) to incorporate the benefits of ore-sorting. The PEA released this past May is a “game changer” for the Company and is not reflected in CuMo’s stock price. Based on the newly-released economics, compared to high-cost providers of molybdenum like Thomson Creek, Henderson, and other producers, with estimated costs of about $6 per pound, CuMoCo becomes a very low-cost molybdenum producer with a projected cost of $2.37 per pound (molybdenum oxide) due to its immense scale, by-products, and ore-sorting techniques.

12. The project has a capital cost of $2.8 Billion at NPV5, an estimated $660 million in annual revenues, a $5.8 Billion net present value, 25% internal rate of return (IRR), 3 1/2-year payback, and a long 82-year mine life. The PEA shows an annual after-tax cash flow of over US$450 million at current metal prices, with substantial room for improvement as various optimization techniques are applied. Only 60% of the identified mineralized property has been explored to-date. At a more conservative 9% discount rate, the project has an attractive NPV of $2.64 Billion.

13. Pre-feasibility is expected to be completed by the second quarter of 2019, and the Feasibility Report in mid-2020, with the goal of being one of the world’s largest and lowest-cost primary producers of molybdenum.

14. There are a number of potential near-term catalysts that should positively impact the CuMo stock price. They include:

    - Continued recovery of global mining equities
    - Improving fundamentals of underlying commodities such as molybdenum, silver, copper, rhenium and tungsten.
    - Closing of potential Financing/s in the third quarter of 2018 (please read below).
    - Feasibility drilling at CuMo commences in Q3 2019
    - Optimizations to be analyzed in Q3 2019
    - Pre-feasibility Q3, 2019
    - Feasibility Q3, 2020
    - Decision to proceed to production, June 2020

15. American CuMo has a strong, seasoned management team (with combined 260 years of experience) with a single public company focus, and large insider ownership.

16. Investment in American CuMo offers exceptional leverage to rising molybdenum prices. From a 52-week low of $6.92, molybdenum recently hit a high of $12.65, an increase of 82.5%. The current price of molybdenum is unsustainable in light of the strong long-term fundamentals. Catalysts for the anticipated demand include: oil and gas recovery, growing demand for specialty steel, fueled by global and china infrastructure expansion and U.S. economic growth. China consumes 31% of world molybdenum, and nearly 50% of aluminum and copper. China is expanding its use of higher-grade steel. In 2017, China's intensity of use per 1M T steel was 10kg of Molybdenum, up from 4kg in 2005, but well below the average of 15kg intensity. Convergence to world average would represent 80-120 mm lbs. of molybdenum per year. China's urbanization requires new industrial and electrical facilities, expanded oil and gas networks, and build-out of intra-city high speed rail links.

17. Recent research studies make the case for the addition of molybdenum to existing battery technology, enhancing the potential that the next generation of electronic batteries will integrate the use of a combination of molybdenum and graphene/ graphite which could lead to increasing supply constraints, and associated future increases in molybdenum prices, that should coincide with the rising demand from steel mills. Molybdenum prices were depressed over the past few years but expected increases in battery demand should spur price appreciation. Over the past couple of years, the price of cobalt has risen sharply as a result of electrical battery demand, and particularly electric cars. Research in use of molybdenum in battery technology shows the potential of molybdenum together with lithium to replace cobalt and deliver four to five times more power than the cobalt-based batteries over the next few years. Research studies also demonstrate molybdenum can provide significant specific energy increases in potassium-ion batteries, an alternative to lithium batteries.

18. The Feasibility study is expected to include additional optimizations which should substantially reduce CuMoCo's costs to an estimated $0.50 per pound of molybdenum or less, and potentially lower capital costs.

19. CuMoCo is currently looking to raise additional capital, potentially in three different forms: a private placement of equity at CAD$0.10 per Unit with a Unit consisting of one share and one two-year warrant exercisable at CAD$0.15; a 5-year secured convertible debenture that pays 8% interest and is convertible into common shares at US$0.075 per share; and silver debenture units whereby investors purchase a secured convertible silver stream debenture that pays 8.75% interest and the right to purchase silver for US$5 per ounce from future production. The Company anticipates raising up to US$4 million from the private placement and convertible debentures and up to US$20 million through the sale of silver stream debentures.

20. The Company plans to initiate definition drilling with plans to drill nine or more holes on the west side of the deposit with drill pads located on the recently purchased private land. The holes are designed to examine the extent of the higher-grade copper and silver mineralization between hole 10-47 and the Coon Dog waste dumps. The waste dumps are located 1371 meters (4500 feet) west of Hole 10-47. Hole 47 intersected 301 meters grading 0.22% Cu,5.35 grams Ag/T

and 0.054% MoS2. The dump grab sample indicated it is part of an older copper porphyry system that predates the molybdenum system at CuMo. A 15-kilogram sample from the dump assayed 3.12% Cu, 783 grams Ag/t, and 0.986 grams Au/t. *Grab sample assays represent prospecting samples and may not be representative of the grade or width of the mineralization. The proposed drilling is designed to determine that significance and define and establish the pit design.*

21. CuMoCo should continue to benefit from the new political landscape. The Trump administration has adapted a positive pro-business and mining stance, relaxing various restrictive regulations and procedures and is in favor of more rapid permitting and approval time lines. Mr. Scott Pruitt, the former head of the EPA and his successor, Andrew Wheeler have been pushing for a fair and objective permitting process.

22. Through its exploration efforts, should the Company's success move towards feasibility and permitting, it may seek to develop the property by bringing it into commercial production on its own, or more likely, we believe in light of its immense size, the Company would be acquired by a mid-size or large producer, or molybdenum user.

23. American CuMo is currently trading at U.S. $0.06 per share, has a total market capitalization of less than $20. That is very low, relative to its excellent upside, experienced management and geological team with considerable mining expertise. It is well-positioned to become the world's largest producer of molybdenum, and among the top largest producers of copper, silver, rhenium, and tungsten, with extremely favorable economics.

24. The street likes "big plays" and CuMoCo is a big molybdenum play. Molybdenum is not a "Wall Street" favored metal, but CuMoCo appears to have lots of it, as well as significant other metals, and can potentially mine it very profitably for many years.

25. Thus, at the current stock price we recommend purchase of the stock by speculative accounts seeking potential long-term capital appreciation. **Our price target: $1.00 per share within the next 18 months.**

The Company

26. Based in Vancouver, Canada, American CuMo Mining Corporation (CuMoCo) is a junior mining company focused on advancing two U.S. projects: the world-class CuMo Project, and the Calida Gold Project, both in the state of Idaho. The Company became public via a reverse merger, and trades on the Canadian TSX Venture Exchange under the symbol **MLY** and on the Pink Sheets under the symbol **MLYCF**.

27. CuMoCo started as a Canadian natural resource exploration and development company called Mosquito Consolidated Gold Mines Limited (Mosquito). In 1991, management assumed control of Mosquito Creek Gold Mining Company Limited and its high potential Mosquito Creek Claim in Eastern British Columbia, hence its original name. Over the ensuing decade, Mosquito undertook a strategic program to purchase, and option high-potential properties, in low political risk environments in North America and Australia. In October 2012, the Company completed a management change with a newly elected board of directors and a new focus on its 100% owned CuMo Project, a massive Molybdenum, Copper and Silver deposit located in central Idaho, US. The name of the Company was changed to American CuMo Mining Corporation to reflect this change, and the importance of this world class company-making project.

The CuMo property, 100%-owned by CuMoCo, comprises a total of 344 claims covering an area of 28.7 square km. (3,700 acres) situated on public and private lands in the mountains of south-central Idaho (in the southern end). The CuMo Project, unlike many of the world's leading projects, is in a politically stable, business-friendly location, in an area heavily mined and logged over the past 100 years with good infrastructure, including power and roads. There is excellent year-round road access via state, county and local roads from Idaho City, located just 15 miles southwest of the property. Topographic elevations on the CuMo claims range from 5,100 feet (1700 meters) to 7,200 feet (2,400 meters) above sea level. The climate is defined by summer temperatures to a maximum of 100° F (38°C) and cold, windy winters with lows to -10° F (-23°C) with an average snowfall of approximately 140 inches (3.6 meters). Exploration and mining at the property can be conducted year-round, due to the established road system and its proximity to other infrastructure. Power is provided by the Idaho Power Company. There is a rail line nearby, operated by the Idaho Northern & Pacific line that runs through the town of Banks, approximately 20 miles to the west of the property. Equipment, supplies, and services for exploration and mining development projects are available at Boise. There is also a trained mining-industrial workforce available in Boise. The property is large enough to accommodate all future exploration or mining operations including facilities and potential waste disposal areas.

The CuMo project is considered to be the largest un-mined, open-pit molybdenum deposit in the world, the largest tungsten and rhenium deposit in the U.S., one of the five largest copper deposits, and among the top 25 silver deposits in the world. CuMo has the potential to be one of the lowest-cost producers of molybdenum, benefiting from its immense size, ore-sorting, and advanced techniques.

	Moly Oxide	Molybdenum Metal	Copper	Silver	Tungsten
Measured and Indicated	2,391M lbs	1,594M lbs	3,958M lbs	179M ounces	197M lbs
Inferred	2,427M lbs	1,618M lbs	3,856M lbs	190M ounces	217M lbs
Estimated Annual	Rhenium	Molybdenum	Copper	Silver	Tungsten
Production	2,103 kilograms	69M lbs	92M lbs	3.1M ounces	N/A

The CuMo deposit is located in a famous historic gold mining camp. Gold was discovered in the Boise Basin in 1862, and lode mining began within a year. As of 1940, total gold production amounted to 2.8 million ounces of which 74% was from placer operations. Reportedly, more gold has been produced from the Boise Basin than any other mining locality in Idaho. Although they are primarily gold deposits, considerable silver and minor copper, lead and zinc were produced as by-products from the lodes.

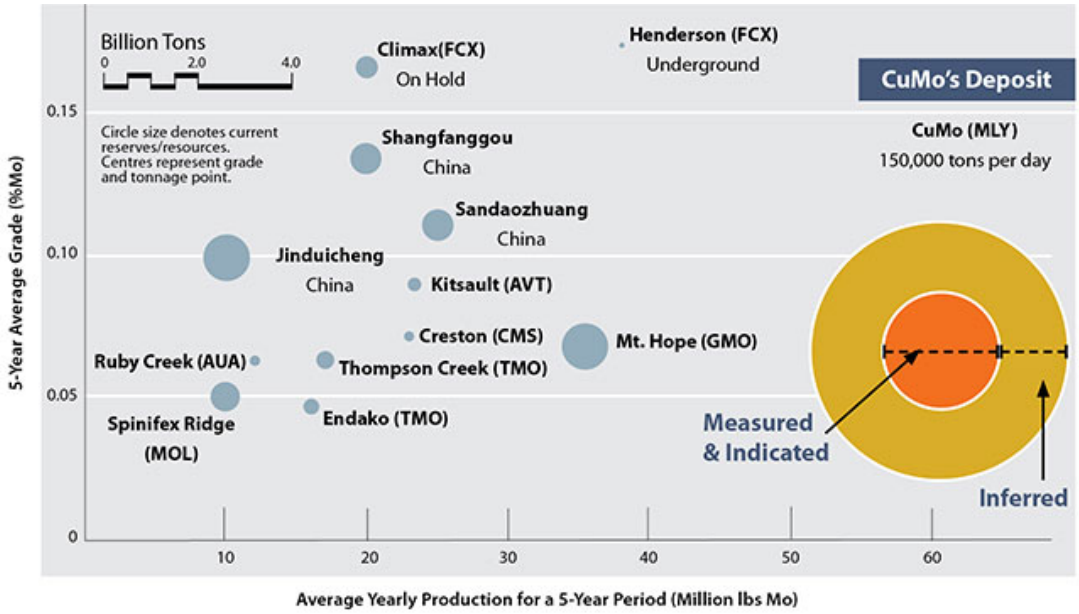
Molybdenite mineralization was not discovered in this area until 1963 by Amax Exploration. The only other molybdenum project in Boise County is the Little Falls molybdenum prospect, which is situated just to the northeast of CuMo. Little Falls was extensively drilled between 1978 and 1981. After conducting surface sampling in 1964, Amax dropped the property. It was subsequently explored by Curwood Mining company, Midwest Oil Corporation (later Amoco Minerals Company), Amax (a second time), and then Climax Molybdenum Company (a subsidiary of Amax Inc.). Drilling was done between 1969 and 1982 for a total of 10,980.7 meters (36,025.8 feet) in 22 diamond drill holes. A geologically inferred historic resource of 1.36 million tons at 0.092% Mo (Non-Compliant with 43-101)

was calculated by block modeling in 1983 by Climax. The property was re-staked in 1998 by CuMo Molybdenum Mining Inc. and optioned to Mosquito Consolidated Gold Mines Ltd., now CuMoCo, in 2004. Kobex Resources Ltd optioned the property from CuMoCo in 2005 and commenced drilling in 2006.

In late 2006, CuMoCo re-acquired the CuMo property with the intention of exploring for a large-scale, low-cost, open pit accessible molybdenum deposit. The 2006 results confirmed the thickness and grade of mineralization on the property as indicated by previous drilling (Amax), and demonstrated continuity of mineralization between the original wide-spaced holes.

The 2006 drilling revealed the presence of three distinct metal zones within the deposit: an upper copper-silver zone, underlain by a transitional copper-molybdenum zone, in turn underlain by a lower molybdenum-rich zone with lower grades of silver and copper. The total recoverable value of both layers is what gives the CuMo Project excellent economic potential. The latest NI-43101 preliminary economic analysis prepared in 2018 shows a mine life of 82 years with an annual after-tax cash flow of over US$450 million at current metal prices, with substantial room for improvement as various optimization techniques are implemented.

Three-dimensional modeling was conducted by the Company and indicates the currently drilled area is located on the north side of a potentially large mineralized system. In 2007, and 2008, CuMoCo reconfirmed the conceptual model in terms of the distribution of the quartz core and vein zones, but the current interpretation is that these features are part of a single large porphyry system underlain by a single source intrusion. The vein paragenesis/metal zones are interpreted as concentric zones formed above, and/or within a one-source intrusion. The various porphyry dikes are interpreted as inter-mineral intrusions that emanated from the source intrusive body. CuMoCo has since completed the 2006, 2007 and 2008 exploration drilling program. CuMoCo completed 14,729 meters (44,188 feet) of drilling in 19 diamond drill holes. During 2009 to 2012, CuMoCo drilled 23 more drill holes (22,968 feet) to improve the resource categorization and better understand the 3D extent of the deposits. Mineralization on the property occurs in veins and veinlets developed within various intrusive bodies. Molybdenite (MoS2) occurs within quartz veins, veinlets and vein stockworks. Individual veinlets vary in size from tiny fractures, to veinlets five centimeters in width, with an overall thickness averaging 0.3-0.4 cm.



The CuMo deposit is a porphyry type deposit, and more specifically a porphyry copper molybdenum deposit, or a porphyry molybdenum-copper (low fluorine type) deposit. The main difference between these porphyry types is that molybdenite is the principal ore mineral in the porphyry molybdenum (low F) type, whereas chalcopyrite, molybdenite, and lesser bornite are the ore minerals on porphyry Cu-Mo deposits. More importantly, the typical size of porphyry Mo (low F) deposit is relatively small (most deposits are around 94 MT at 0.085% MoS2 and very few deposits exceed 500 MT) compared to the

average porphyry Cu-Mo (500 Mt with 0.41 % Cu, 0.016 % Mo, 0.012 g/t Au and 1.2 g/t Ag) in which tonnages can range up to over 2 billion tons.

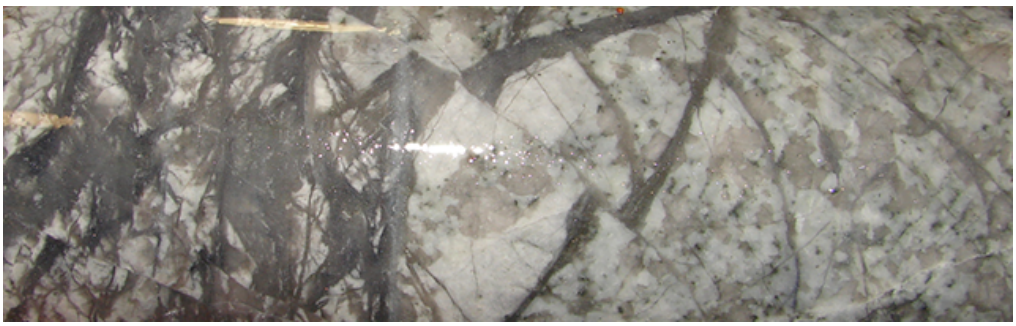
The CuMo deposit is of economic interest primarily for its Mo content but contains significant values of Cu and Ag. Low-grade zones of copper enrichment typically form above, and partially overlap with molybdenum ore shells, in porphyry molybdenum deposits. The deposit is typical of large, dispersed, low-grade molybdenum ± copper deposits. These systems are associated with hybrid magmas typified by fluorine-poor, differentiated monzogranite igneous complexes, characteristic of continental arc terrains.

Due to their larger size, the total contained economic molybdenum in these types of deposits can be equivalent to or exceed that of high-grade molybdenum deposits (such as Molybdenum players Henderson). For the Granite-related Mo-Cu (>0.05%Mo) class of deposits, the CuMo deposit ranks highest in terms of total potential contained molybdenum (tons x grade), based on the historical results.

Ranking of Open Pit Resources under Exploration or Development (2015):

Deposit	Meas.+Ind.	Inferred	Total	Cu	Mo	Au	Ag	Re	Cu Eq.	Gross Value	lbs MoS2	lbs Mo	Total Value
	tons (millions)	tons (millions)	tons (millions)	%	%	g/t	g/t	g/t	%	$/ton	(millions)	(millions)	$ (millions)
Cumo - Total	2,501.8	3,404.5	5,906.3	0.07	0.027		2.13		0.37	$15.47	5,290.1	3171.4	$91,398
Cumo $7.50 Cut-off	2,011.5	2097.1	4,108.6	0.08	0.035		2.34		0.47	$19.76	4,827.1	2,893.7	$81,202
Cumo $10 Cut-off	1,746.4	1,656.5	4,108.6	0.07	0.039		2.23		0.52	$21.88	3,361.0	2,014.9	$55,825
Jinduicheng	910		910	0.03	0.102	0.00	0.00		1.56	$46.80	3,096.7	1,856.4	$42,588
Mt Toleman	1,565	340	1905.0	0.09	0.047	0.00	0.00		0.80	$23.85	2,987.1	1,790.7	$45,434
Cumo Amax Historic		1,500	1,500	0.07	0.056		0.06		0.91	$27.44	2,802.4	1,680.0	$41,162
Mt Hope	966	191	1,157		0.068				1.02	$30.60	2,624.8	1,573.5	$35,404
Pebble West	3,026	1,130	4,156	0.26	0.015	0.31	0.00	0.000	0.67	$20.13	2,079.8	1,246.8	$83,666
Sierrita	1,830		1,830	0.26	0.030	0.03	1.20	0.057	0.74	$22.26	1,831.6	1,098.0	$40,737
Toquepala	1,161		1161.0	0.67	0.040				1.27	$38.04	1,549.3	928.8	$44,165
Chuquicamata (remaining)	700		700	1.53	0.065	0.01	5.00		2.57	$77.13	1,518.0	910.0	$53,994
Spinifex ridge	652.3	399	1051.3	0.07	0.042		1.21		0.55	$23.08	1,479.1	886.7	$24,261
Shaft creek	1,542		1,542	0.28	0.021	0.18	1.54		0.71	$21.41	1,072.8	643.1	$33,015
Climax (remaining)	150	25	175		0.167				2.51	$75.15	975.0	584.5	$13,151
Cajone	1,261		1261.3	0.61	0.020				0.91	$27.30	841.6	504.5	$34,435
Thompson Creek	372		372		0.063				0.95	$28.35	781.0	468.2	$10,535
Mineral Park	520		520	0.13	0.039		2.74		0.75	$22.41	677.0	405.9	$11,660
Bingham (remaining)	557		557	0.54	0.033	0.27	2.52		1.23	$36.79	613.2	367.6	$20,494
Endako	368		368		0.050				0.75	$22.50	613.0	367.5	$8,269
Bagdad	1,600		1,600	0.40	0.010	0.00	0.97	0.000	0.56	$16.86	533.8	320.0	$26,975
Sonora	94	93	187	0.05	0.081				1.27	$37.95	504.3	302.3	$7,083
Atlin	213		213		0.063				0.95	$28.35	447.7	268.4	$6,039
Quellaveco	947		947.0	0.94	0.014				1.15	$34.50	442.3	265.2	$32,672
Magistral	196	55	251	0.52	0.041				1.14	$34.05	343.2	205.7	$8,543
Gibralter	965		965	0.32	0.010	0.07	0.90	0.000	0.52	$15.68	321.9	193.0	$15,127
Island copper	377		377	0.41	0.017	0.19	1.40	0.032	0.80	$23.86	213.8	128.2	$8,996
Max	43		43		0.120				1.80	$54.00	171.7	103.0	$2,317
Lucky Ship	45	17	62		0.068				1.02	$30.60	139.5	83.6	$1,882
Poplar	116		116	0.32	0.009	0.10			0.52	$15.45	34.8	20.9	$1,792

Geology



The CuMo deposit is located at the south-western end of the Idaho-Montana Porphyry Belt within the Atlanta Lobe of the Idaho Batholith. Igneous complexes in this belt are believed to be related to an Eocene, intra-arc rift, and are characterized by alkalic rocks in the northeast, mixed alkalic and calc-alkalic rocks in the middle, and calc-alkaline rocks in the southwest. The CuMo deposit is typical of large, dispersed, low-grade molybdenum-copper porphyry deposits that are associated with hybrid magma as exemplified by fluorine-poor, differentiated monzogranite igneous complexes. CuMoCo

management believes it ranks first among all current porphyry (Mo) resources in terms of the potential total contained molybdenum.

The deposit is believed to be located at the intersection of two regional structural trends: a northeast structural trend, characteristic of the trans-Challis fault system, and an east–west trend containing a Tertiary dike system. Faults and mineralized structures identified to-date dominantly trend to the northeast.

Mineralization on the CuMo property occurs in fractures and veinlets developed within various porphyry units and surrounding country rock of the batholith. The mineralization is associated with quartz monzonite porphyries, but high-grade sections often occur within the older Idaho Batholith quartz monzonite near or within porphyry bodies. Molybdenite (MoS2) occurs in quartz veins, veinlets and vein stockworks, with individual veins ranging in size from hairline fractures to banded veins up-to-ten centimeters in width. Chalcopyrite occurs in the upper portion of the deposit and is associated with fracture-controlled secondary biotite alteration, and early-stage patches and fracture-controlled dark chlorite-epidote-magnetite +/- pyrite alteration. Molybdenite mineralization increases at depth where the secondary biotite alteration gives way to subtle K-feldspar alteration. Minor tungsten in the form of scheelite is common (40 ppm) and closely parallels the distribution of molybdenum. The area is crosscut by a series of andesite and lamprophyre dikes and numerous quartz and carbonate veins. The quartz veins carry gold, silver, lead and zinc. Locally the quartz veins contain coarse remobilized copper and molybdenum. All phases have been variably overprinted by extensive and deeply penetrating argillic alteration characterized by chlorite, smectite, kaolinite and calcite. The deposit is sulfide-poor, with little pyrite.

Molybdenum: A Super Alloy with Significant Applications

Molybdenum is a silvery metal with the sixth-highest melting point of any element. It can withstand extremely high temperatures and is strong, durable, and highly resistant to corrosion. About 80% of the molybdenum (moly) that is currently mined is used as an alloying agent in stainless steel to markedly increase the strength, heat resistance, and durability of steel products; and in the manufacturing of aircraft parts and industrial motors. Molybdenum is also used in the oil and gas industry in exploration, drilling, production and refining. There is a strong correlation between moly demand and active drill counts. Other uses of molybdenum include: bridge and building construction, especially where pollution/salt/volcanic exposure are factors; pipelines for petroleum and drinking water delivery; manufacture of automobiles/ships/rockets/aircraft; lubrication for high heat purposes; agricultural fertilizer to boost crop production; fuel cell technology; mobile phones; and computers.

The biggest producers of the metal are: China, accounting for an estimated 56% of the market, United States providing an estimated 18% of the supply. Chile, Peru and Mexico also produce some molybdenum. Molybdenum Futures are available for trading on the London Metal Exchange (LME).

According to the CRU Group, molybdenum demand is forecast at 577 million pounds this year, with an estimated 16% to come from oil and gas.

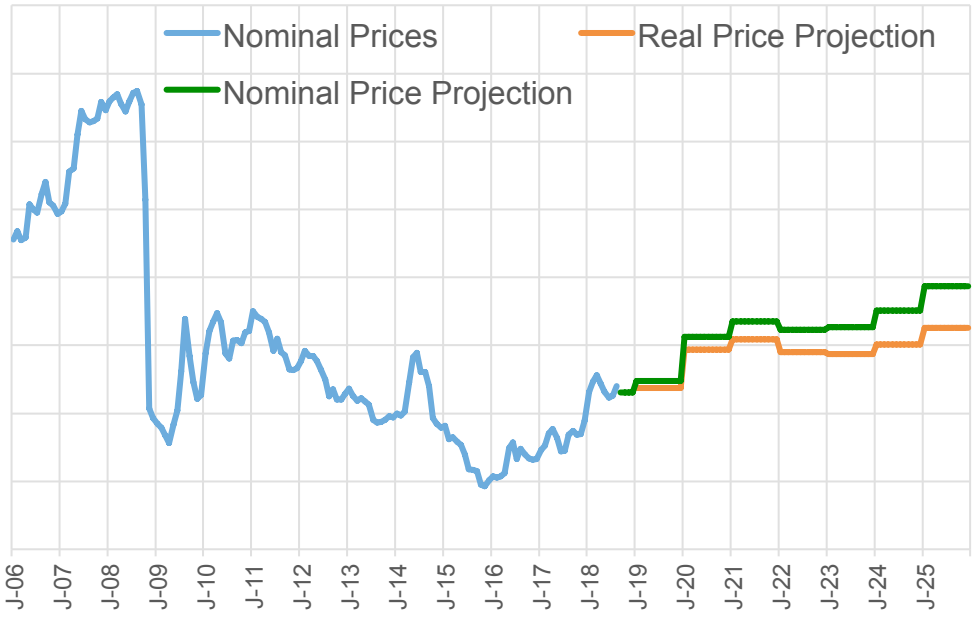
In terms of supply, about sixty-percent of molybdenum is extracted as a by-product of copper mining, and prices experienced some support from copper mine disruptions in 2017. Supply has been adjusting to lower prices. The oil price crash in 2014 removed about 15 million lbs. of moly demand, and brought prices crashing 66% to below $5/lb. between August 2014 and November 2015. The large producers all have an estimated cost of production of at least $6/lb.

Supply concerns are increasing, as lower output from top mines could also negatively impact the market this year. Production at Chile's Codelco declined from 30,000 tons of moly in 2016, to 28,700 tons in 2017, due to lower grades at its Chuquicamata mine. The Sierra Gorda mine in Chile, in which Polish copper miner KGHM (FWB:KGHA) has a 55% stake is reducing output this year 15-20% from 36 million pounds in 2017, due to lower grades. Centerra which owns the Thomson Creek mine in Idaho and has a majority stake in Endako in British Columbia, which produced more than 29 million lbs in 2014, has shut down the mines for care and maintenance. Centerra has no current plans to restart the mines. Chinese moly production decreased 5 million lbs., or 3.3% from 2015-17. Freeport

McMoran cut its molybdenum demand forecast by 39 million tons in 2016-2017. By-product producers have also been reducing output.

From the 52-week low of $6.92, Molybdenum hit a high of $12.65 in May 2018, an increase of 82%, benefiting from the stronger economy and the pickup in rig count oil and gas activity. The worldwide drill rig count was up 6.7% year over year in July 2018. The price has dropped a bit most recently to about 12.05, but this price is unsustainable, we believe, in light of the strengthening long-term fundamentals, and the lower moly output. CPM Group estimates the average price over the next few years at $15, but expects the price to rise above $19 in the mid 2020's. The price could rise substantially higher than that with a pickup in demand and supply constriction approaching.

Molybdenum Price Projections June 2018 - CPM Group



Catalysts for the anticipated demand include: oil and gas recovery, growing demand for specialty steel (world crude steel production up 4.6% year over year in July 2018), fueled by global and china

infrastructure expansion, and U.S. economic growth. China consumes 31% of molybdenum, and nearly 50% of aluminum and copper. China is expanding its use of higher-grade steel. In 2017, China's intensity of use per 1million tons of steel was 10kg of molybdenum, up from 4kg in 2005, but well below the world average of 15kg intensity. Convergence to the world average would represent consumption of 80-120 million lbs. of molybdenum per year. China is expected to grow 6.4% in 2018, after 6.8% growth in 2017. China's urbanization requires new electrical facilities, expanded oil and gas networks, bridges and build-out of intra-city high speed rail links. India is expected to grow 7.3% in 2018 versus 6.7 % in 2017. Synchronized global economic expansion is projected at 3.1% in 2018. Also, Moly is a late-stage industrial metal and late business cycles are generally positive for commodities.

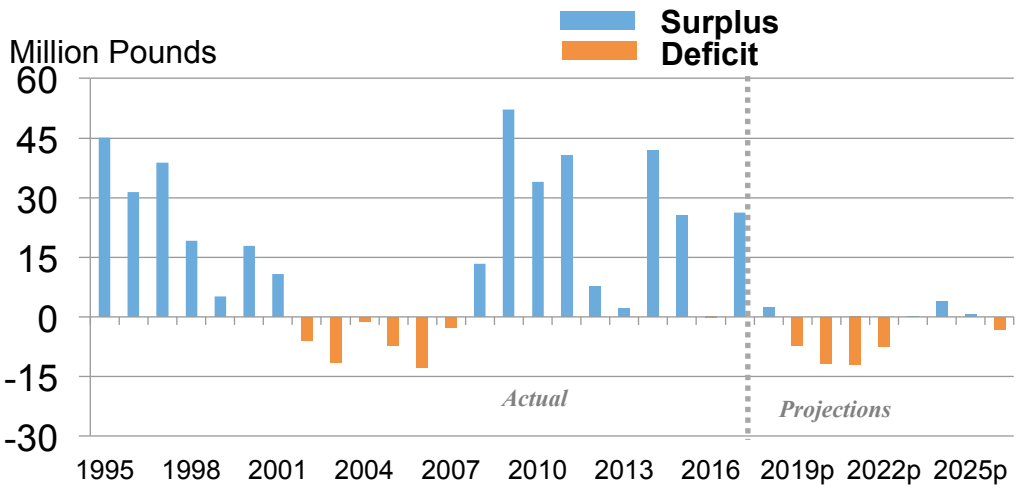
Nearly every project identified by the Trump Administration's $1.5 trillion infrastructure initiative, and Canada's plan, including building new pipelines, replacing crumbling bridges, transforming railways and reconstructing tunnels that are critical to transportation, commerce and safety, will require molybdenum-enhanced steel.

Recent research studies make the case for the addition of molybdenum to existing battery technology, enhancing the likelihood that future generations of electronic batteries might integrate the use of a combination of molybdenum and graphene/ graphite. This should lead to increasing supply constraints, and associated future increases in molybdenum prices, that should coincide with the rising demand from steel mills.

Increases in battery demand could spur price appreciation. Over the past couple of years, the price of cobalt has risen sharply as a result of electrical battery demand, and particularly electric cars. Recent research in battery technology shows the potential of molybdenum together with lithium to potentially replace cobalt and deliver four to five times more power than the cobalt-based batteries in the future. Research studies also demonstrate molybdenum provides significant specific energy increases in potassium-ion batteries, an alternative to lithium-based batteries.

Molybdenum has been identified as a potential alternative to silicon for two-dimensional semiconductors and technologies that are developing smaller, faster and more energy-efficient computers. Lithium-ion batteries have shown significant improvements in energy capacity, lifespan and recharge times from a molybdenum/graphene/graphite additive. With the use of a polished molybdenum slug, X-ray technology is reaching an atomic and molecular level by increasing imaging pulses from 120 per second to 1 million per second.
There is an increasing shortage of clean, potable water across the world. With 40 percent of the world's population living in water-scarce regions, desalination plants constructed with molybdenum steel can be used to convert the 97 percent of earth's water that is too salty for consumption.

Moly Supply Deficit Approaching CPM Group, October 2017



Exploration

A total of 121,700 feet (37,094 meters) have been drilled in 68 holes. Additionally, MLY has completed three resource calculations, two Preliminary Economic Analyses (PEAs) and a metallurgical test program.

The 2006-2015 exploration programs consisted of surface geological mapping, diamond drilling, environmental base-line studies, metallurgical testing, and resource generation. In 2006, diamond drilling was done by Kettle Drilling Inc. of Coeur d'Alene on behalf of Kobex Resources Ltd. and CuMoCo. Kobex commenced drilling in August 2006 and completed one hole. On October 6, 2006, Kobex Resources Ltd delivered a notice of termination in respect of the CuMo Property. The option on the project was terminated when the second hole was at a depth of 600 feet, and the action was taken before any assays were received. Idaho CuMo Mining Corporation (ICMC), (the wholly-owned US subsidiary of CuMoCo) assumed control of the project in October 2006 and completed this hole to a depth of 1710 feet before the program was halted due to the onset of winter conditions. Between 2007 and 2011, diamond drilling was done by Kirkness Drilling of Carson City, Nevada. Kirkness drilled thirty-three (33) diamond drill holes.

The 2006-2011 results confirmed the thickness and grade of mineralization on the property, as indicated by previous drilling, and demonstrated continuity of mineralization between the original wide-spaced holes. The 2006-2011 drilling data supports the presence of distinct metal zones within the deposit. Amax previously interpreted these zones as distinct ore shells that were produced by separate intrusions. Re-interpretation of the geology, alteration and down-hole histograms for Cu, Ag and Mo have confirmed the metal zones are a part of a single, large, concentrically zoned system with an upper copper-silver zone (cuag), underlain by a transitional copper-molybdenum zone (cumo), in turn underlain by a lower molybdenum-rich zone (mo).

Three-dimensional modeling of the above zones was conducted, indicating the current area being drilled is located on the north side of a large system, extending 4.5 km (15,000 feet) in diameter, of which only a small part (1 km or 3000 feet) has been drilled.

Potential economic metals include copper, molybdenum, silver, tungsten, and rhenium. The presence of the by-product elements silver, tungsten, and rhenium is very significant in terms of the economic development of the property.

As a result of the multi-element nature of the mineralization, both a copper and molybdenum equivalent were calculated for the intercepts based on the following calculations involved: Copper equivalent (Cu. Equiv.) and Molybdenite equivalent (MoS2 Equiv.) are done on the following metal prices (all in US$): Copper $2.50/lb, Molybdenum Oxide ($10/lb), Silver $0.35/gram and Tungsten $0.22/gram.($7.00 per lb). (Other factors include 1% = 20 pounds/t or 22.04 lbs/T; 1 ppm =1 gm/T; 1000 ppb =1 ppm = 1 gm/T).

Molybdenum is sold as either ferro-molybdenite or molybdenum oxide. The price used in these estimates is $10 per pound. Molybdenum oxide or $15 per pound Molybdenum metal (Mo). To obtain the amount of Molybdenum oxide that can be produced from MoS2, the following is required: convert MoS2 to Mo by dividing MoS2 by 1.6681 then convert to MoO3 (Molybdenum Oxide) by multiplying by 1.5. Therefore, the amount of molybdenum oxide is pounds MoS2 times 1.5 / 1.6681. Recoveries take into account not only mill recoveries but smelting recoveries and payables.

Drilling has defined four mineralized zones (Oxide, CuAg, CuMo, and Mo) on the property; each with different metal distributions and recoveries.

1) Oxide Zone:

- Near surface zone that is oxidized usually comprise the oxidized parts of the CuAg and CuMo zones.
- Varies in thickness up to 200 feet and averages approx. 150 feet thick.

- Currently considered as waste. Average Grade from intersections:
  0.015% MoS2, 0.05% Cu, 1.94 gms Ag/T, 24 ppm W, 0.16 % Rcv Cu Equiv.

2) CuAg Zone:

- Copper-silver zone with very low molybdenum mineralization.
- It occurs in the outer edge of the mineralization system.
- Locally very high grade (>100 gms Ag/ton veins are found within this zone).
- Zone ranges between 250 and 400 feet in thickness. Average Grade from intersections:
  0.017% MoS2, 0.09% Cu, 3.01 gms Ag/T, 29 ppm W, 0.23 % Rcv Cu Equiv.

3) CuMo Zone:

- Copper molybdenum zone is a transition from the copper dominant part of the system to the molybdenum dominant.
- It ranges in thickness from 300 to 700 feet. Average Grade from intersections:
  0.049% Mos2, 0.10% Cu, 3.03 gms Ag/T, 45 ppm W, 0.51 % Rcv Cu Equiv.

4) Mo Zone:

- Main Molybdenum bearing stockwork zone.
- It ranges in thickness from 300 to 700 feet. The average grade from intersections:
  0.106% Mos2, 0.05% Cu, 1.7gms Ag/T, 19 ppm W, 0.95 % Rcv Cu Equiv.

Metallurgical Testing

Limited metallurgical test work has been done to-date, with three composite samples tested for comminution characteristics and preliminary flotation testing to produce bulk copper/molybdenum concentrates. Nevertheless, the existing test work data are considered suitable for a conceptual study and the comminution data are considered adequate for a conceptual milling circuit design.

The CuMo ores are of moderate competency and hardness, and amenable to grinding in a conventional SAG/ball milling circuit with pebble crushing (SABC). The mineralogy is fine grained and test work to-date indicates the requirement for a fine target grind size to achieve adequate liberation for flotation. Acid Based Accounting (ABA) testing indicates that the tailings are potentially acid neutralizing (PAN) due to the presence of carbonate and low pyrite content. SGS concludes that “the tailings tested were not acid generating”. Further studies are required, but if confirmed, this will lead to significant costs savings in the tailings handling circuit and a major reduction in the environmental impact of the project. In fact, molybdenum is beneficial as a fertilizer in growing plants and vegetables.

Copper mineralogy in the copper/silver ore is fine grained with highest recovery at a grind size of 80% passing 63 µm. and exhibited significant sensitivity to grind size. Although the sensitivity of the molybdenum was lower, the finer grind resulted in an increase in molybdenum recovery.
Sulfur assays on the concentrates from the copper/silver and copper/molybdenum ores indicate the presence of a floatable sulfide gangue mineral; most likely pyrite (no sulfur assays were available for the molybdenum ore). The tests indicate that these ores were amenable to flotation, resulting in good recovery of target mineral species into a low mass concentrate stream.

Fine grain structure of the ores identified by QEM*SCAN testing and the increase in rougher grade and recovery indicated that regrinding of rougher concentrates would be required to achieve ore test type adequate concentrate grades.

Molybdenum and silver exhibit little sensitivity to grind size. Although the sensitivity of the molybdenum was lower, the finer grind resulted in an increase in molybdenum recovery. The results of these tests are summarized in the table below.

Metallurgical recoveries for equivalency calculations:

Ore Type	Concentrate	Concentrate Grade		Concentrate Recovery		
		% Cu	% Mo	% Cu	% Mo	% Ag
Cu-Ag	Molybdenum	0.1	52	0.02	83	
	Copper	19	0.1	64	2.4	70
Cu-Mo	Molybdenum	0.1	51	0.04	92	
	Copper	22	0.1	85	0.7	78
Mo	Molybdenum	0.02	49	0.1	95	
	Copper	20	0.8	72	1.0	55

U.S. Critical Minerals List Includes Two CuMo Project Minerals

Critical Minerals of the United States is a list issued by U.S. Geological Survey (USGS) that identifies mineral commodities that have “important uses and no viable substitutes yet face potential disruption in supply” and are “defined as critical to the Nation’s economic and national security”.
The U.S. Department of Interior in May released the updated U.S. Critical Minerals List that includes 35 minerals which are deemed essential to national defense and economy and are at risk for supply chain disruption. A Trump Executive Order signed in December 2017 mandated the update as an important driver in the move to reduce foreign dependency on strategic and critical minerals.

Tungsten and rhenium, both present in the CuMo Project were posted to the list. With only 60% of the deposit explored to date, data gathered at the CuMo Project indicates it is the largest deposit of tungsten and rhenium within the United States. An independent resource calculation has identified 196.6 million pounds of tungsten and 175.3 thousand pounds (79,487 kilograms) of rhenium as measured and indicated, and an additional 216.6 million pounds of tungsten and 177.9 thousand pounds (80,674 kilograms) of rhenium as inferred. Projections rank a fully-developed CuMo Project as potentially the largest producer in the U.S.

Tungsten has the highest melting point of all metals and is used as an alloy with other metals. Applications include arc-welding electrodes and heating elements for high-temperature furnaces which are crucial to mining and petroleum industries. Rhenium has the second highest melting point after tungsten. It has important healthcare applications as an alloy used in X-ray machines and is critical to national defense with its use in fighter jet parts.

China retains control of 56 percent of the world’s moly compared to an estimated 19% by the U.S. Furthermore, Chinese moly producers primarily operate archaic and environmentally compromising facilities that may be shut down by the government until they comply with environmental standards. That could potentially create a supply chain disruption for crucial U.S. industries.

ICMC management is lobbying to have molybdenum added to the Critical Minerals list which would provide certain protections and priorities for permitting and development. The U.S. Department of Interior is currently evaluating comments regarding the draft 2018 Critical Minerals list.

Copper

Demand fundamentals for copper remain favorable, but the rise of global interest rates and trade tensions between US and China have exacerbated price volatility and near-term fundamentals. GDP growth in the US is about 3%, in the Eurozone near 2%, 2.5% in Latin America, and 6% in China while that country adheres to stricter environmental standards. These GDP forecasts are beneficial for copper. S&P recently upgraded its forecast for copper at $6,600/t for the remainder of the 2018 year and has lifted its 2019 forecast copper price to $6,800/t from $6,600/t and its 2020 outlook to $7,000/t from $6,800/t. Prices should benefit from the global economic growth and strong industrial demand from the large economies, and put increasing pressure on producers that are having difficulty expanding supply at a faster rate. At the same time, new technologies such as electric vehicles and other power storage uses should boost demand, yet mine supply is expected to grow at only 0% to 2% over this period. This small increase is due to declining grades, environmental issues, and a relatively modest project pipeline. Over the next few years, we are not aware of any new large mines (greater than 100kts of annual yield) coming on-line after Cobre Panama this year.

Permits

Like other North American project developers American CuMo must complete three stringent levels of analyses to evaluate the environmental impacts of proposed projects:

Lower Level (CE)	No significant effect on the quality of environment (generally less than 5 acres disturbance).
Middle Level (EA)	Involves an analysis of the environmental effects and a determination of the significance of these effects (generally involves exceeding the initial 5 acres of disturbance).
Highest Level (EIS)	Actual mine permit. Mine impact and disturbance are mitigated through reclamation and reasonable alternatives.

A number of environmental groups have tried over the past ten years to block permitting and exploration of the CuMo Project. Numerous lawsuits have been filed and the Company has spent considerable amounts on additional Environmental Impact Studies. In February 2011, the U.S. Forest Service approved a comprehensive Environmental Assessment (EA) of the area proposed for exploration, paving the way for ICMC to complete a thorough exploration, leading towards a Pre-feasibility Study. Subsequently, the U.S. Forest Service issued the FONSI and Notice of Decision in late 2011, rendering the current status of the exploration. Under the 2011 permit, CuMoCo was allowed to drill 137 holes and construct 10.2 miles of road. In 2012, CuMoCo completed drilling of the 68th hole and built 1.5 miles of temporary roads while complying with Forest Best Practices and adhering to the perimeters set forth by the U.S. Forest Service.

A Memorandum Decision and Order was issued, stating the U.S. Forest Service's previously approved decisions regarding groundwater made in the Environmental Assessment was vacated and the matter remanded to the Forest Service. As a result, the U.S. Forest Service completed further analysis concerning groundwater hydrology, and issued a Supplemental Environmental Assessment (SEA) in 2011 and updated the SEA in 2013. The Forest Service re-affirmed its original 2011 decision on April 9, 2015, at the completion of the SEA.

In October 2015, the U.S. Forest Service issued the final Supplemental Decision Notice (DN) and Finding of No Significant Impact (FONSI) regarding the Project which allows ICMC to proceed with

late-stage exploration and development work of the CuMo Project. Environmental groups sued again and the courts (three local groups in January 2016) ordered additional groundwater tests and also tests on the impact of the fires which occurred on the CuMo property. Tests concluded that there was no negative impact.

Finally, in July 2016, the US District Court-District of Idaho, decided in favor of the USFS, and upheld the Forest Service's SDN/FONSI as to the NEPA challenges relating to groundwater. CuMoCo has completed the Lower Level analysis Categorical Exclusion (CE) and is completing the necessary Middle Level Environmental Assessment (EA) permit work to proceed with advanced exploration and site analysis. CuMoCo is currently working on the EIS report which will cost an estimated $75 million.

CuMoCo appears to have strong support of the community. The Project region, Southern Idaho, is rooted in mining history and natural resource economies. A recent survey by Boise State University highlighted the overwhelming support of Idahoans for responsible mining with 80.4 percent of respondents affirming their belief that mining can be conducted without negatively impacting the environment. Local, state and federal governments have shown great interest in, and are formally declaring their support for the CuMo Project. Also, the recent shift by the Trump administration to pro-development policies within federal agencies has created momentum for strategic minerals projects.

The Company intends to adhere to modern mining practices, stewardship of all natural resources, reclamation of the pre-existing historic mining damage with donating a percentage of revenues into a segregated account to fund, and meaningful community engagement. Also, once the CuMo Project advances to construction and production, it is projected that it could contribute millions of dollars in taxes, fees and other payments to the local, state and federal governments. CuMo management estimates that the CuMo Project could "create as many as 5,000 jobs during the mine construction phases and 1,000 jobs for 100 years during production." The average wage in Idaho would be $65,000, according to the Idaho Mining Association. The CuMo Project also has the potential to significantly benefit the local population through the creation of indirect employment, skills transfer, enhancing the capacity of health and education services, improved infrastructure and business opportunities.

Development Plan

MLY is engaged in site selection and plant design will commence. Conceptual pit designs have been completed and are being used to ensure the optimum location for the exploration drilling. Environmental base line studies are continuing, and completion of detailed metallurgical work to advance the project towards pre-feasibility is expected during 2019.

The Pre-feasibility study is expected to include modern and advanced techniques used by larger mining companies. Management's goal for this study is to increase operating efficiencies, potentially reducing molybdenum operating costs to $0.50 per pound and lowering capital costs.

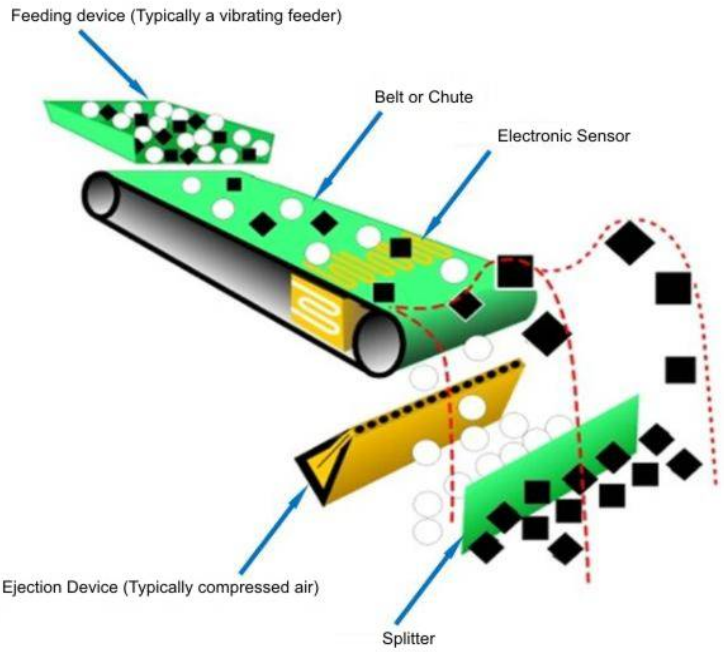
2019 Planned Drilling Program

MLY is planning to initiate a diamond drill program of 9-20 holes with lengths from 500 to over 2000 feet on the west side of the deposit with drill pads located on the most-recently purchased private land. The new holes are designed to determine the limits of the mineralization and obtain the geochemical and geotechnical data required for use in open pit modeling and planning. Specifically, the holes are designed to examine the extent of the higher-grade copper and silver mineralization between hole 10-47 and the Coon Dog waste dump located 1371 meters (4500 feet) west of Hole 10-47. Hole 47 intersected 301 meters grading 0.22% Cu, 5.35 gms Ag/T and 0.054% MoS2. The dump grab sample indicated it is part of an older copper porphyry system that pre-dates the molybdenum system at CuMo. A 15-kilogram sample from the dump assayed an encouraging 3.12% Cu, 783 gms Ag/t, and 0.986 gms/t.

Ore-Sorting

CuMoCo is adapting the practices of the large copper and gold porphyry deposit miners utilize to increase profitability. This is a new approach in Molybdenum mining. Unlike typical small-sized high-grade projects, by adapting these practices, most notably ore-sorting, the CuMo Project can provide significant economies of scale, higher production rates, and return significant profits to shareholders. Examples of mines utilizing this approach include: Highland Valley, Morenci, and Sierrita and majors such as Goldcorp, and BHP Billiton. Highland Valley was put into production to mine material worth $8 per ton for a cost of $4 per ton. Using large-scale material, a recovered value of $25 or more can be generated for an estimated $8 or less per ton.

What is Ore-Sorting?

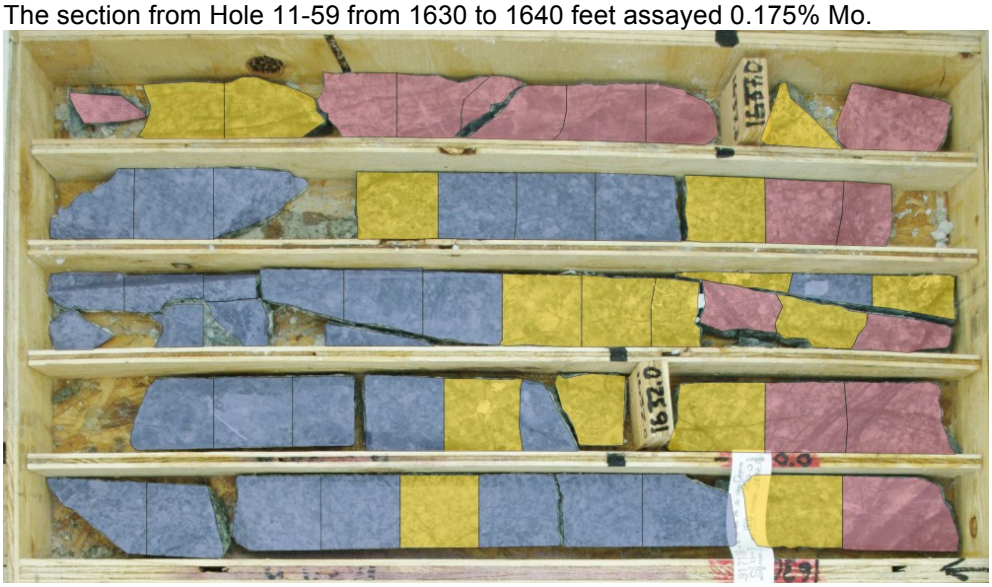


Ore-sorting enables the separation of the material that contains valuable content from the waste material. Ore-sorting is a process for upgrading mineral bearing rock at large particle sizes, typically between 250mm and 10mm (1 to 4 inches) and involves evaluating the mineral content of individual rocks as they pass through a sensor, measuring density or actual copper and molybdenum grades to select material for processing and then separating them into " Accept" and "Reject" fractions, based on pre-determined selection criteria.

Why Does Ore-Sorting Work for CuMo?

The CuMo property is a perfect candidate for ore-sorting since the property is a stockwork vein deposit, made up of narrow veins containing molybdenum and/or copper mineralization bounded by lots of waste material. Only about 10-20% of the rocks contain valuable mineral contents. The number and width of these veins control the grade. The more veins and/or thicker the veins, the better the grade. Thus, management has determined that a two-stage sorting process would be highly applicable to the CuMo Project.

The section from Hole 11-59 from 1630 to 1640 feet assayed 0.175% Mo.



Approximately 10% of the interval contains the actual molybdenum veins which are pink in the picture. The box length is 2 feet long. Breaking it into 2 to 3-inch pieces is done to simulate primary crushing. Sorting would initially identify the ore (pink-22.5%) within the interval and that would be mill feed. Secondary sorting would identify the stockpile (yellow-30.5%), and remaining material is waste (blue-47%). This would result in a grade of 0.583% Mo for the ore, and 0.134% Mo for the stockpile.

In the second half of 2015, MLY decided to evaluate the long-term viability of applying ore-sorting on a larger scale. Samples were forwarded to the University of British Columbia for preliminary evaluation. Approximately 400 random rock samples were selected, of between 25 and 125 mm in size, and tested using X-ray and electromagnetic scanners (XRF/XRT). In January 2016, the Company announced positive results from the preliminary tests. The tests showed that the project has strong potential for significant upgrading using ore-sorting. The preliminary tests indicate that through ore-sorting, the Company can mine large tonnages of approximately 150,000 to 250,000 tons per day, while requiring much smaller tonnages of approximately 50,000 to 100,000 tons per day to recover the majority of the valuable contents. The tests showed that a reduction in daily processing from 150,000 to 50,000 tons, could potentially result in slashing the initial CAPEX budget by US$800 million to US$1 billion.

Preliminary Economic Assessment (PEA)

In May 2018, CuMoCo filed a 43-101 technical report on an independent updated Preliminary Economic Analysis (PEA) of the CuMo deposit. The purpose of revising the PEA was to update the economic section of the 2015 summary report released in November 2015 by adding the Mineral Sorting benefits to the project. The PEA prepared by Sacre-Davey Engineering is a prelude to a Pre-Feasibility Study allowing the Company to independently verify the benefits of Mineral Sorting to the CuMo Project. The results are quite encouraging. The Company can mine large tonnages of about 300,000 tons per day, while requiring much smaller tonnages of about 50,0000 to 100,000 tons per day to recover the majority of the valuable content. The outcome: A reduction in capital costs of about $800 million to $1 Billion. CuMoCo selected 150,0000 tons per day for the updating. We assume a recovery of 75% of molybdenum, 40% for copper and 40% for silver.

The PEA is based on an open pit mine, a circuit with mining gyratory crushing, coarse ore stockpiling, SAG and ball mining with pebble crushing and bulk floatation. Molybdenum concentrates are to be processed at an off-site roaster to produce molybdenum oxide, rhenium and sulfuric acid.

To facilitate a direct comparison between the two economic report sections (2015 43-101 and 2018 PEA) and to show the benefits of Mineral Sorting, the price of molybdenum and copper used in the comparison were kept the same as in the original 2015 report.

In the updated results, the Company and Sacré-Davey Engineering decided to produce the current economics using the following metal prices:

Metal	Price per unit
Mo (lbs)	US $12.5
MoO3	US $8.33
Cu	US $3
Silver (oz)	US $17.5
Rhenium (kg)	US $2000
Sulfuric acid (ton)	US $75

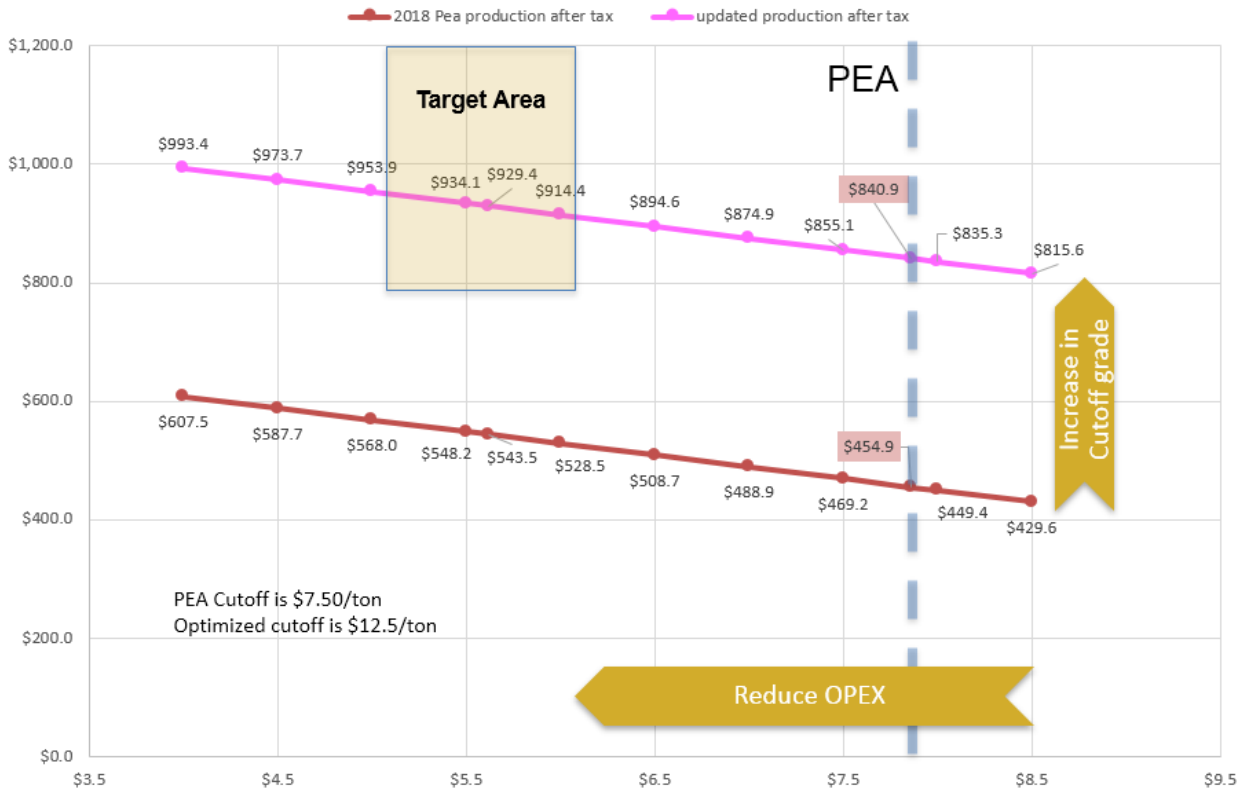
Medium Price $10.00 Mo oxide, $3.00 Copper, $12.50 Silver, $15 Tungsten. (Summarized on Page 1)

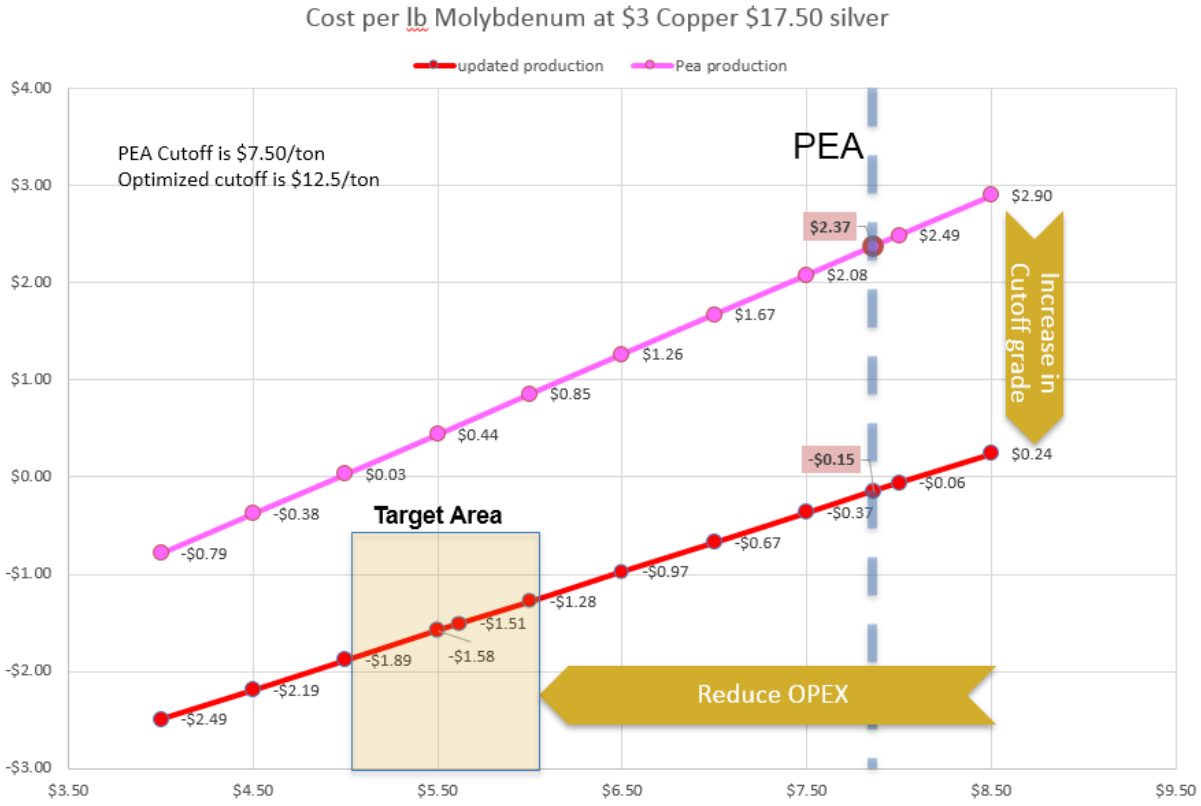
	CUTOFF	TONS > CUTOFF	GRADE > CUTOFF					CONTAINED METAL				
	RCV $US	MILLION	MOS2	CU	AG	W	CU EQ	MILLION	MILLION	MILLION	MILLION	MILLION
		TONS	(%)	(%)	(OZ/T)	(PPM)	%	LBS. MO	LBS MOO3	LBS CU	OZ AG	LBS W
Measured	$2.50	308.40	0.079	0.07	0.06	48.60	0.36	292.15	438.22	456.48	18.80	29.98
Indicated	$2.50	2,216.10	0.049	0.08	0.07	37.60	0.25	1,301.93	1,952.89	3,501.38	160.30	166.65
Measured + Indicated	$2.50	2,524.60	0.053	0.08	0.07	39.00	0.27	1,594.07	2,391.11	3,957.86	179.10	196.63
Inferred	$2.50	3,373.60	0.040	0.06	0.06	32.10	0.20	1,617.92	2,426.88	3,845.86	189.91	216.58

	CUTOFF	TONS > CUTOFF	GRADE > CUTOFF					CONTAINED METAL				
	RCV $US	MILLION	MOS2	CU	AG	W	CU EQ	MILLION	MILLION	MILLION	MILLION	MILLION
		TONS	(%)	(%)	(OZ/T)	(PPM)	%	LBS. MO	LBS MOO3	LBS CU	OZ AG	LBS W
Measured	$7.50	282.00	0.085	0.08	0.06	50.60	0.38	287.41	431.12	428.67	16.94	28.54
Indicated	$7.50	1,708.30	0.059	0.09	0.08	41.10	0.30	1,208.41	1,812.62	3,006.55	129.05	140.42
Measured + Indicated	$7.50	1,990.40	0.063	0.09	0.07	42.40	0.31	1,495.82	2,243.73	3,435.21	145.99	168.96
Inferred	$7.50	1,996.00	0.056	0.07	0.07	35.10	0.27	1,340.14	2,010.20	2,794.35	129.82	140.12

	CUTOFF	TONS > CUTOFF	GRADE > CUTOFF					CONTAINED METAL				
	RCV $US	MILLION	MOS2	CU	AG	W	CU EQ	MILLION	MILLION	MILLION	MILLION	MILLION
		TONS	(%)	(%)	(OZ/T)	(PPM)	%	LBS. MO	LBS MOO3	LBS CU	OZ AG	LBS W
Measured	$12.50	227.90	0.097	0.08	0.06	51.80	0.42	265.00	397.50	341.79	13.29	23.61
Indicated	$12.50	1,050.60	0.076	0.09	0.07	44.20	0.36	957.35	1,436.03	1,891.14	78.14	92.88
Measured + Indicated	$12.50	1,278.60	0.079	0.09	0.07	45.50	0.37	1,222.35	1,833.53	2,232.92	91.43	116.48
Inferred	$12.50	996.40	0.078	0.06	0.06	37.60	0.34	931.81	1,397.71	1,275.37	57.54	74.93

The estimate is based on results from 65 diamond drill holes totaling 36,785 meters. Nine of these holes were completed since the previous estimate. The Company believes that the current estimate reflects only about 60% of the identified mineralized system covered by the property.


2018 Pea production after tax
updated production after tax
$1,200.0
$1,000.0
$800.0
$600.0
$400.0
$200.0
$0.0
$3.5
$4.5
$5.5
$6.5
$7.5
$8.5
$9.5
Target Area
PEA
$993.4
$973.7
$953.9
$934.1
$929.4
$914.4
$894.6
$874.9
$855.1
$840.9
$835.3
$815.6
$607.5
$587.7
$568.0
$548.2
$543.5
$528.5
$508.7
$488.9
$469.2
$454.9
$449.4
$429.6
Increase in Cutoff grade
PEA Cutoff is $7.50/ton
Optimized cutoff is $12.5/ton
Reduce OPEX


Cost per lb Molybdenum at $3 Copper $17.50 silver
updated production
Pea production
$4.00
$3.00
$2.00
$1.00
$0.00
-$1.00
-$2.00
-$3.00
$3.50
$4.50
$5.50
$6.50
$7.50
$8.50
$9.50
PEA
PEA Cutoff is $7.50/ton
Optimized cutoff is $12.5/ton
Target Area
$2.90
$2.37
$2.49
$2.08
$1.67
$1.26
$0.85
$0.44
$0.03
-$0.38
-$0.79
$0.24
-$0.15
-$0.06
-$0.37
-$0.67
-$0.97
-$1.28
-$1.51
-$1.58
-$1.89
-$2.19
-$2.49
Increase in Cutoff grade
Reduce OPEX

The Company and Sacré-Davey Engineering personnel have identified several areas and opportunities that may provide significant costs savings and improved economics for the project, including the following:

Mining

- Optimization of the production schedule, including examining an increase in cutoff grade which would have the effect of reducing the current 82-year mine life but increasing the amount of metal being produced and thus the profitability and reducing the cost to produce.
- Optimization of the pit designs and definition of a mineable reserve.
- Optimization of waste and stockpile haulage methodology by switching to conveyor-based systems to reduce the amount of trucking involved and thus costs.
- Detailed equipment costing to determine potential discounts to list price for all major components.

Milling

- Additional metallurgical work to determine optimum grind size (the current assessment is based on the finest grind tested to date), analyze recoveries of the various metals, and analyze the effects of the higher grade coming from the mineral sorters on metal recoveries.
- Optimize reagents to reduce costs and improve metallurgy.
- Work on the potential for a tungsten recovery circuit is required (currently excluded).

Tailings

- Detailed analysis of tailings storage facilities and design to reduce overall costs.

Other

- Examine alternative concentrate transportation from the mill to the railhead.
- Optimization of the roaster capital and operating costs.

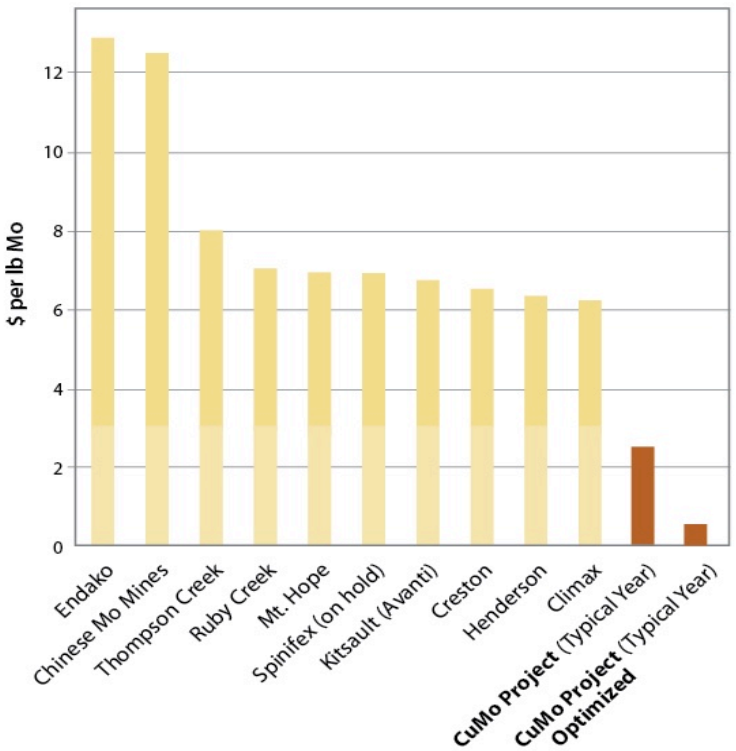
MLY is planning to have the Feasibility study completed in approximately 3 years, with production start-up approximately 1.5 years after that. For the Feasibility study, the Company must complete additional engineering and metallurgical work, drilling and environmental baseline studies. MLY management is budgeting $100 million over the next three years for an EIS (Environmental Impact Statement) and to complete the Feasibility study.

After-tax Economics	150,000 TONS / DAY
Net Present Value (NPV5%)	US$5.8 Billion
Internal Rate of Return	25%
Payback Period	3.97 years
Cost/lb: Molybdenum (Mo)/Copper	US$2.37/<0.0
Startup Capital Cost	US$2,800 Million
Total Pit Life	82 years
Cash flow	US$663 million/yr
METAL PRODUCTION / YEAR (Typical)	
Pounds of Molybdenum (Mo)	69 Million
Pounds of Copper	92 Million
Silver	3.1 Million
Rhenium	2,103 Kilograms

Economic parameter		2018 Results	
		Year 3	total 40 years
Pre- Tax			
Undiscounted cash flow	$USM	$787.7	$26,296.6
Pre-tax Net Present Value ("NPV") at a 5% discount rate	$USM	NA	$7,910.8
pre-tax Internal Rate of Return ("IRR")	%	NA	28.7%
pre-tax payback period	years	NA	3.66
After Tax			
After tax cash flow	$USM	$600.6	$18,196.7
After Net Present Value ("NPV") at a 5% discount rate	$USM	NA	$5,673.0
After Internal Rate of Return ("IRR")	%	NA	25.0%
after-tax payback period	years	NA	3.97
Mining			
Life of mine ("LOM") Years	years	NA	82
Mining rate (short tons per day)	000's	491.2	451.2
sorting rate (short tons per day)	000's	293.3	243.7
Processing (short tons per day)	000's	150	150
Metal Production			
Molybdenum production (pounds)	000's	70,045.1	2,612,728.1
Copper Production (pounds)	000's	101,526.0	2,830,723.8
Silver production (ounces)	000's	3,897.6	100,194.9
Rhenium	Kg	2,136.4	79,688.2
Sulphuric acid	short tons	75,403.5	2,812,601.8
Costs			
Total capital expenditures (000's)	$USM	NA	$2,817.5
Sustaining Capital (000's)	$USM	$41.3	$2,456.1
Operating cash cost per lb Mo (net byproducts)	US$	$1.83	$2.37
Operating cash cost per lb Mo oxide (net byproducts)	US$	$1.22	$1.58
Total taxes paid	$USM	$91.1	$5,643.80

CuMo Project Operating Cost Compared to Primary Molybdenum Producers

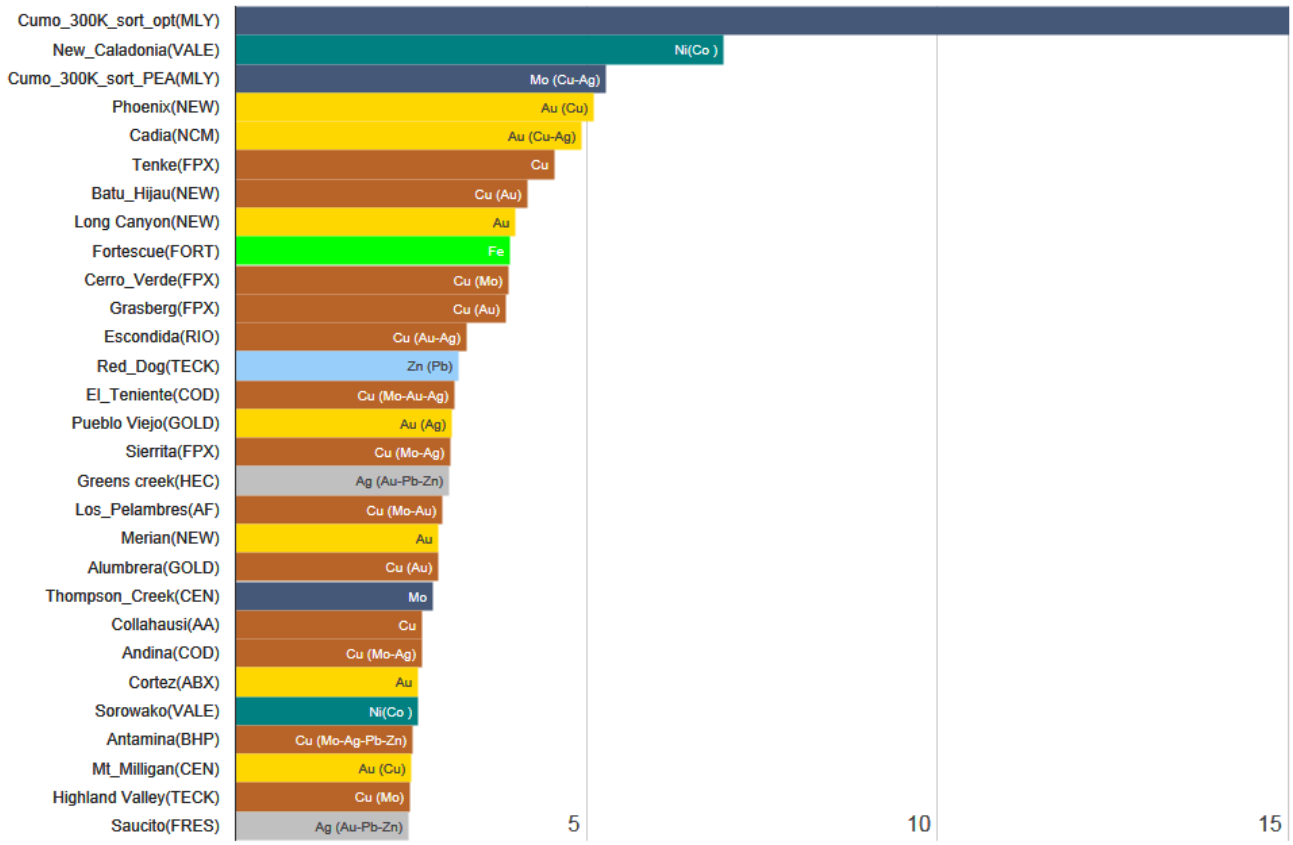
Operating Cost/lb Mo Metal (2018 data) [2]



American CuMo Mining: Potential low-cost producer

CuMoCo has identified significant quantities of molybdenum, copper, silver, tungsten, and rhenium at the CuMo Project. As a potential low-cost, primary molybdenum producer, the CuMo Project is expected to have significant advantages over high-cost underground or remote producers. The Company anticipates that project cash and total costs could be significantly reduced from steady by-product credits from these metals, potentially making the CuMo Project profitable in most metal-market price conditions. In fact, during the recent period when oil prices dropped below $30 per barrel, molybdenum prices declined below $6.00, putting major players in the red, CuMo would still have been profitable.

The CuMo Project's potential profitability is much higher by adapting the practices of the large copper and gold porphyry deposit miners. The CuMo Project can provide huge economies of scale, higher production rates and return significant profits to investors. The recent pre-feasibility target cost range is zero to $0.50 per pound of molybdenum oxide via the optimization of manufacturing processes such as the use of conveyors, improving grinding in-mill circuit and increasing cutoff grades.



Caveat: The targets are conceptual in nature as there had been insufficient exploration work done to define Mineral Resources as defined by NI 43-101, and it is uncertain if further exploration would result in establishing the existence of Mineral Resources. Note: Molybdenum Oxide Price is used which is less than current spot quoted prices which quote molybdenum as price per lb molybdenum metal contained as molybdenum oxide. Therefore, the price of $15 per lb molybdenum metal is equivalent to $10 per lb molybdenum oxide.

American CuMo Development Plan

Site selection and design are expected to commence. Conceptual pit designs have been completed and are being used to ensure the optimum location for the exploration drilling. Environmental base line

studies are continuing, and completion of detailed metallurgical work to advance the project towards pre-feasibility is expected during 2019.
MLY is planning to have the Feasibility Study completed in approximately 3 years, with production start-up approximately 1.5 years after that. For the feasibility study, the Company has to complete additional engineering and metallurgical work, drilling and environmental baseline studies. The Pre-feasibility study is expected to include the modern and advanced techniques to increase operating efficiencies, potentially reduce molybdenum operating costs to $0.50 per pound, and lower capital cost.

MILESTONES	Division	Start time	End time	Estimated cost
Delivery of final ore sorting results using bulk sample	Engineering	June-18	Nov-18	$750,000
Produce updated Preliminary Economic Analysis with ore-sorting	Engineering	Jan -18	May-18	$80,000
Feasibility metallurgical bulk sample, mill design and final concentrate grade estimates	Engineering	July-18	Apr-19	$1,250,000
Final Stage drilling stage 1 private land	Engineering	Jun-19	Dec-19	$2,000,000
Establish sampling protocols with government agencies	Permit	June-18	Aug-18	$500,000
Pre-feasibility level economic analysis	Engineering	Nov-18	Mar-19	$250,000
Plan of operations for mine	Engineering Permit	Nov-18	Mar-19	$500,000
Receive statement of work from US Forest Service	Permit		Sept 19	$1,000,000
Detailed environmental baseline studies	Permit	Sep-18	Dec-19	$35,000,000
Final Stage drilling stage 2	Engineering	Jun-19	Dec-19	$12,000,000
Feasibility Resource and reserve calculation	Engineering	Jan-20	Apr-20	$250,000
Feasibility metallurgical deposit variability sampling and final mill flow design	Engineering	Jan-20	Apr-20	$800,000
Definitive feasibility study	Engineering	Jan-20	May 20	$5,000,000
Decision to proceed to production	Permit		Jun-20	
Submittal of draft EIS	Permit	Jan-19	Apr-20	$15,000,000
EIS approved	Permit		Dec-21	$10,000,000
Delivery of individual permits (some permits delivered while EIS is reviewed subject to approval)	Permit	Jan-21	Dec-22	$2,620,000
ESTIMATED TOTAL COST				$87,000,000

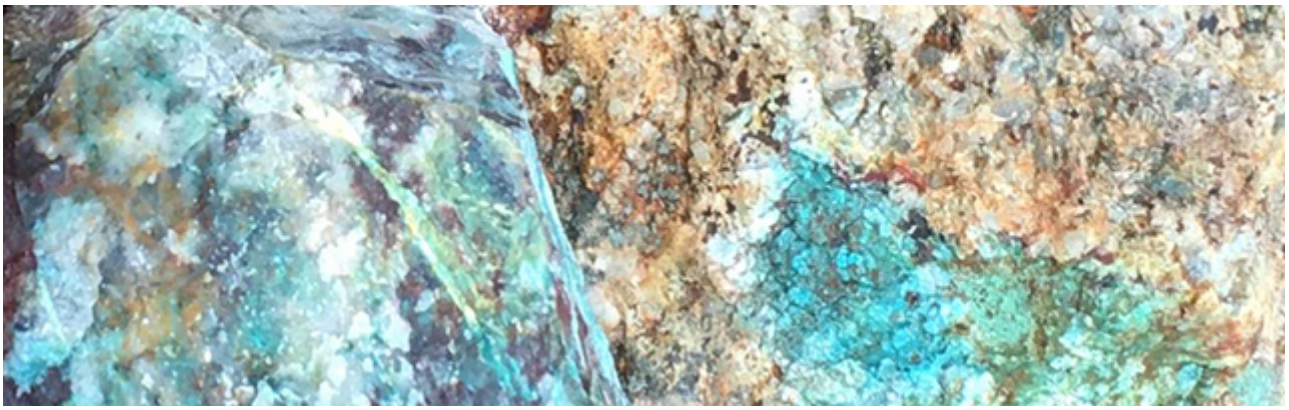
Note: remaining $25,000,000 budget is for management, land purchases and contingencies

The Calida Gold Project

In November 2016, the Company entered into an agreement to acquire a 100% interest in the Calida Gold project. The Calida property is located approximately 24 miles south of Salmon, Idaho and 5 miles west of Highway 28 within the Mormon Canyon area. The property includes fifty-three (53) unpatented lode mining claims containing 160 acres. The claim block is situated on lands administered by the Bureau of Land Management. Calida consists of numerous old producing mines, both surface and underground, having produced from seven separate shear zones containing important quantities of gold, silver, and copper.

The Company acquired the property from local prospectors with little upfront cash, enabling MLY to evaluate the project's potential at a minimal cost. The project adds to CuMo's project and mineral base and to CuMo's upside potential (via a future sale, JV, or spin-off to shareholders).

As per the agreement, the Company can acquire 100% interest of Calida over 10 years as follows: The Company paid US$40,000 on signing of the agreement, US$140,000 to be paid in 2018, and MLY must pay US$50,000 every six months until commercial production or ten years, with an additional US$1 million at the start of commercial production. The purchase price also includes a variable buyout price, which is US$10 million for the first 1M oz of gold equivalent resources, increasing at the rate of US$10 million for each 1M oz of gold equivalent, to a maximum price of US$50 million with no royalties.



Geology

The Calida ore deposits are a series of intensely altered and mineralized shear zones hosting oxide and sulfide ore minerals. The shear zones range in size from 1.5 meters (5 feet) to over 30 meters (100 feet) in width and up to 4,267 meters (14,000 feet) in length. The shear zones represent a hydrothermal plumbing system for the migration of ore-bearing minerals throughout the zones of crushing and shearing. Mineralization consists of native gold, and gold-bearing copper and silver minerals. Most predominate in the system as tested includes chalcopyrite, pyrite, chrysacolla, malachite, azurite, limonite, goethite, and assorted minerals containing both gold and silver.

Historical work

The property has been extensively explored for the past thirty years. Exploration has included lots of trenching and sampling, as well as a 29-hole drilling program in 1983. A total of ten mineralized veins have been identified on the property. Significant intersections from the drilling are listed below:

Independent historic reserve for Calida (2009):

- 8 million tons grading:
  - 0.168 oz Au/ton
  - 6.12 oz Ag/ton
  - 2.86% Cu

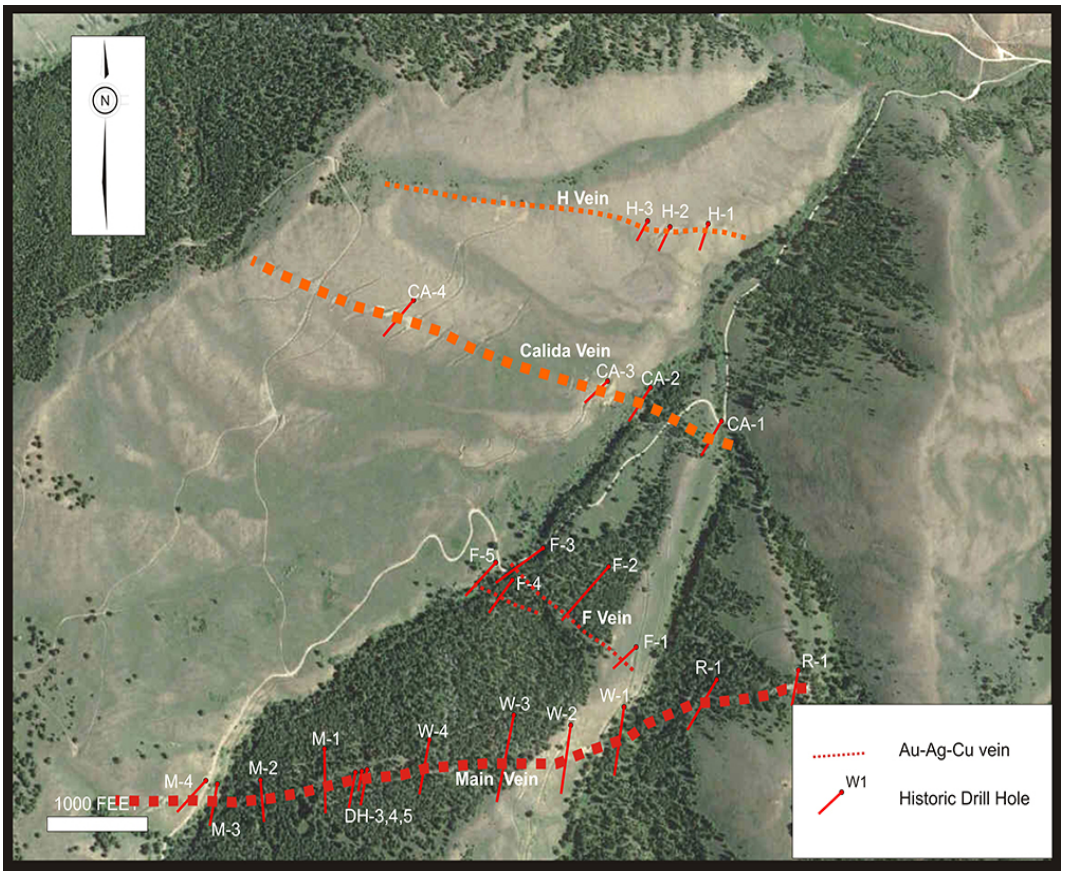
  At current metal prices approx. recovered value of US$400/ton[1]
- Located approximately 24 miles south of Salmon, Idaho
- Exploration has included drilling 29 holes in 1983 as well as thorough trenching and sampling.

Hole	Vein	From	To	Width	From	To	Width	Au	Au	Ag	Ag	Cu
		Meters	Meters	Meters	Feet	Feet	Feet	g/T	Oz/t	g/T	Oz/t	%
W-3	Main	84.7	125.0	40.2	278	410	132	5.5	0.160	232.8	6.8	4.3
M-1	Main	94.5	137.2	42.7	310	450	140	5.1	0.15	145.7	4.3	1.3
R-2	Main	65.5	126.5	61.0	215	415	200	4.6	0.133	173.8	5.1	2.2
CA-1	Calida	115.8	125.0	9.1	380	410	30	6.7	0.194	231.1	6.7	4.5

- Ten mineralized veins have been identified on the property to date

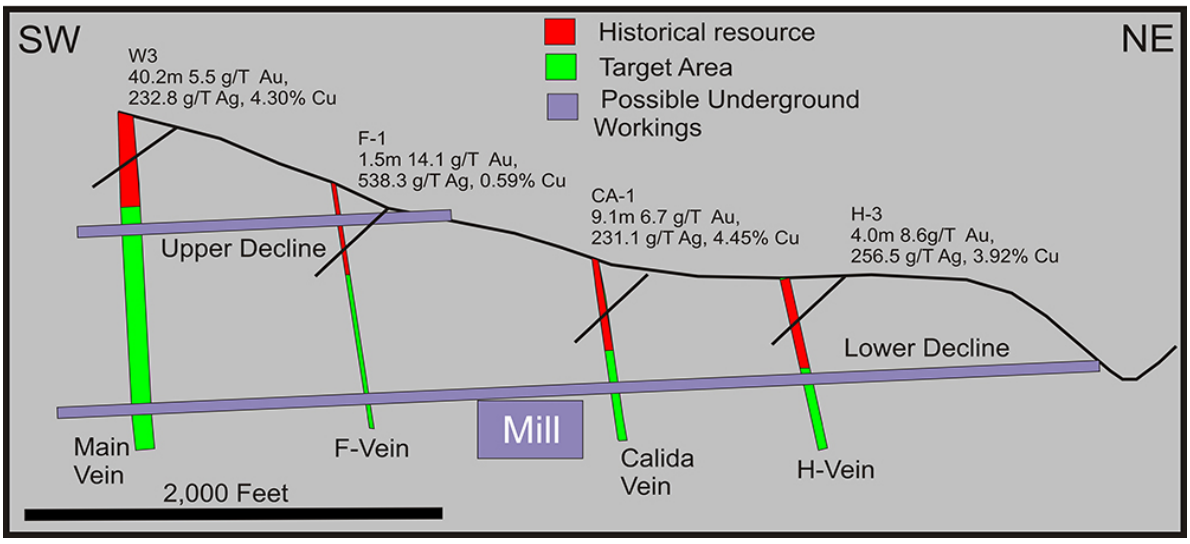
1. metal prices used $1250 gold, $17.50 silver and $2.50/lb copper with recoveries of 90% for gold, 85% Silver and 80% copper.

Calida Overview Map



In 2009, an independent, non-compliant resource calculation using the historic data was completed which defined a resource of 8,059,304 tons, grading 0.168 ounces gold/ton, 6.12 ounces silver/ton and 2.86 percent copper. *(The Company is not treating the resource as an SEC resource or "current resource" and does not intend to rely on this resource but will accordingly use it as a guide for further development).*

Examination of available data indicates a target area of at least 100 meters (328 feet) wide, 1500 meters (4921 feet) long and 500 meters (1640 feet) deep that contains gold with copper bearing mineralization. CuMoCo has constructed a three-dimensional model of the veins and has identified a preliminary exploration target of between 8 and 30 million tons grading between 5 and 10 grams per tonne gold, 150 to 200 grams per ton silver and 2 to 3 percent copper.



The potential quantity and grade are conceptual in nature, as exploration work done to define Mineral Resources as defined by NI 43-101 has been insufficient.

Results of a detailed sample study completed by Process Mineralogical Consulting Ltd. show the presence of gold and silver in the intersections, but at lower grades than previously reported, indicating a nugget effect. However, the samples are highly altered, and there is a good possibility that the zone will be richer at depth.

There are no anticipated impediments to BLM jurisdiction permitting. The property was previously permitted, and the BLM has all the prior data and reports in its files. If the mill site is placed on private property, the BLM has opined that permitting should be able to be expedited. Private property sites near the mine can be purchased.

Management

CuMoCo's corporate operations are directed from Vancouver and Idaho by an experienced, and seasoned management team (with a single company focus) with more than 260 years of combined environmental policy, regulation, permitting, compliance, geological exploration, mine planning and sustainable development expertise.

Shaun M. Dykes serves as President & CEO. Mr. Dykes, M.Sc. (Eng.), P. Geo was Mosquito's Exploration Manager from 1995 until 2011, during which time he played a key and leading role in the acquisition and development of Mosquito's principal mining properties: CuMo, Pine Tree, Spring Creek, Trikay and Blackpoint. He has been successful at combining the two disciplines of geological exploration and computer data processing into a powerful mineral property identification, evaluation and development tool. Techniques developed combined with over 35 years of practical experience in the management, exploration and analysis of mineral properties, at varying stages of development from grass roots to pre-development, have been directly involved or responsible for the discovery of several mineral deposits, five of which have been placed into commercial production.

Mr. Dykes previously spent 15 years working as a project geologist with Westmin Resources Ltd. managing a wide variety of projects, including Big Missouri, Stewart, B.C., from initial stages of exploration to pre-production. He was responsible for the outlining and discovery of the Premier open pit deposit.

Mr. Dykes founded Geologic Systems Ltd. in 1994 to supply geological expertise to the mining and exploration community. Clients included Cominco (now Teck Resources Ltd.), Rio Algom, Echo Bay, Billington, Placer Dome and Redfern Resources. He has been involved in the evaluation, exploration and/or development of some of the world's major mineral deposits including: CuMo, Voisey's Bay, Cariboo Gold, Petaquilla, Dunka Road (now Northmet), Red Chris, Tulsequah, Pine Point (extension), Wernecke, HW and Myra Falls and Premier.

Dr. John Moeller serves as Chairman of the Board. Dr. Moeller's career spans over 35 years in private consulting, state government, and the university setting. Dr. Moeller brings extensive hands-on permitting experience, and knowledge of state and federal agencies and procedure. He provides a broad perspective into planning, permitting, design, implementation, public outreach, and compliance. He is a Principal of Forsgren Associates, a civil and environmental engineering firm, with offices across the western U.S. He is the company's Vice President of Environmental Services and a member of its board of directors.

Dr. Moeller has taken the lead in representing CuMoCo before state, local, and federal agency officials and the public about the CuMo Project's exploration and was the point person to track, expedite and respond to the project's highly visible and contentious environmental assessment. His team has identified nearly 100 permits, approvals, exemptions and consultations that may be required before a mine could go into production.
Dr. Moeller managed water quality and hazardous materials programs during a nine-year tenure at Idaho DEQ and has extensive relationships across a wide spectrum of state and federal agency staff and managers. Early in his career, he co-founded a state and federal inter-agency task force to permit a $400 million open pit molybdenum mine in the headwaters of Idaho's Salmon River. That unique

regulatory concept shaved months off the permitting process and saved an estimated $30- 50 million in development costs. He chaired a governor appointed task force to develop regulations for utilizing cyanide to leach precious metals from ores.

Dr. Moeller earned a PhD in Water Quality/Limnology from Idaho State University, a Master of Science in Zoology/Water Quality from the University of Kentucky, and has a Bachelor of Science in Electrical Engineering, also from the University of Kentucky. For the past ten years, he has been an adjunct graduate faculty member at Boise State University. He was awarded an EPA Bronze Medal for his efforts associated with hazardous waste capacity assurance and development of pollution prevention programs. He served on the board of directors for the Idaho Conservation league.

Trevor Burns serves as the Company's Chief Financial Officer and Director. Mr. Burns has over 25 years of diversified experience in the financial markets. He is the founder and President of Tiger Capital, a venture capital/investor relations firm with offices in Toronto, Singapore, and Beijing that manages a privately-held investment portfolio and provides Investor Relations and Corporate Finance services for publicly-traded companies. In late 2012, Mr. Burns was appointed Vice-President Corporate Communications for American CuMo Mining. In July 2014 he was elected as a director and appointed Interim CFO, and in March 2015 Mr. Burns was appointed CFO of the Company.

Brett Kagetsu serves as the company's corporate secretary. He is a partner in Gowlings' Vancouver office and Vice-Chair of the Corporate Finance and the M&A National Practice Group. Brett advises mining and technology companies listed on the TSX Venture Exchange and the Toronto Stock Exchange regarding corporate finance, securities and corporate governance matters, as well as in connection with mergers and acquisitions. Brett has led the Gowlings legal team on many bought deal public offerings, private placements, IPOs, reverse takeovers, Capital Pool Company qualifying transactions and plans of arrangements, and he has assisted companies with regulatory compliance matters, equity financing, and listings of publicly listed issuers.

Notable Board of Directors Members

Joseph Baird is a partner in the Boise, Idaho law firm of Baird Hanson Williams LLP, which firm has permitted more mining projects in Idaho than any other law firm. Mr. Baird brings to the Board the critical expertise required to navigate the permitting and environmental hurdles, as well as develop contacts throughout the U.S. and Idaho.

Mr. Baird provides environmental and mining counsel to a wide variety of New York Stock Exchange, Toronto Stock Exchange and venture capital mineral companies, including base and precious metal production companies, industrial mineral producers, exploration programs and mineral land management companies.

Prior to that, Mr. Baird was a partner in the Idaho law firm of Givens Pursley and Elam & Burke. Before moving to Idaho in 1988, Mr. Baird practiced mining and environmental law in Colorado for seven years, where he was Associate General Attorney with Union Pacific Resources Company and an attorney with the Holland & Hart. Mr. Baird is a member of the Colorado and Idaho State Bars. Mr. Baird graduated from the University of Virginia School of Law in 1981. He clerked for Exxon Minerals Company, USA in 1980 and the American Mining Congress in 1979. Prior to law school, Mr. Baird has served in several officer positions and as a trustee for the Northwest Mining Association, the largest mining organization in the United States with extensive contacts within the mining industry and state and federal governments, and which continues to lobby for the mining industry in the United States. His professional memberships also include the Rocky Mountain Mineral Law Foundation (formerly as a Trustee at Large) and the Society for Mining, Metallurgy and Exploration. He graduated Magna Cum Laude from Colgate University in 1976, with majors in Geology and Political Science.
Thomas Conway holds a B.Sc Mining Engineering (University of Minnesota) and attended Harvard Business School's Executive MBA program. He is a results-oriented executive with 20 years of diverse experience largely with Newmont Mining Corporation ("Newmont") in operations, general management, environmental affairs and risk management, including serving as Newmont's Vice President of Risk Management. His operational experience at Newmont covered domestic and international assignments in open pit and underground operations where he has a record of enhancing operations through improved cost control and productivity innovations, while maintaining safety and environmental standards. Mr. Conway served as Vice President/General Manager Carlin Operations

for Newmont where he was responsible for a 2 million ounce per year operation, with 1,600 salaried and hourly employees; and Vice President/General Manager Minera Yanacocha where, under his guidance, Yanacocha expanded annual gold production from 300,000 ounces to 1.2 million ounces in 3 years. Mr. Conway also served as assistant General Manager at Yanacocha where he was responsible for the startup (ahead of schedule and under budget) of two metallurgical plants and three open pit mines. Mr. Conway has a strong understanding of the permitting process through time served as Manager, Environmental Affairs Carlin Operations, where he was responsible for compliance and permitting, and negotiations with the US EPA and the State of Nevada regulators. Since February 1, 2011, Mr. Conway has served as President and CEO of I-Minerals Inc., a TSX Venture Exchange listed company developing two unique industrial mineral deposits in Idaho, USA.

Finances

American CuMo Mining's balance sheet is in fair shape. As of March 31, 2018, the Company had current assets of $1,015,065 versus current liabilities of $415,643, putting the current ratio at 2.4:1. MLY has long term debt of $12.7 million, consisting of $5.04 million in convertible notes, promissory notes of $4.2 million, and deferred tax liabilities of about $2.5 million.

In April 2014, in order to finance the ongoing development of the CuMo Project the Company borrowed $3 million from International Energy & Mineral Resources Investment (Hong Kong) Company Limited ("IEMR HK"), a Chinese-controlled entity, and issued two 6.5% convertible notes. The notes became due and callable on their respective due dates of October 25, 2017 and November 25, 2017 respectively. These notes are secured by the assets of CuMoCo.

As of March 31, 2018, the notes have not been called for payment. They are now being treated as a straight loan, paying 6.5% annual interest, until such time as they are called. In October 2017, IEMR HK proposed the following amendments to the repayment terms: (a) Immediate payment of Cdn$597,500 (representing payment of Cdn$545,410 of principal owing under the First Debenture and Cdn$52,090 of accrued interest); (b) payment of US$597,500 (representing payment of US$537,130 of principal owing under the Second Debenture and US$60,370 of accrued interest) by November 25, 2017; and (c) payment of the remaining Cdn$954,590 of principal owing under the First Debenture plus additional interest payable, and of the remaining US$962,870 of principal owing under the Second Debenture plus additional interest payable, on or before December 15, 2017. The Company made the Initial Payment of Cdn$597,500 and payment of US$597,500 to IEMR HK and intends to make the other required payments as additional financing efforts are completed. IEMR HK has tried to request damages compensation for the amendment of the terms of repayment of up to US$300,000. The Company's legal advisors have informed them that this request for damage compensation is illegal under Canadian law.

On February 8, 2018 the Company received notice that IEMR HK filed in British Columbia supreme court for judgment in the amount of $2 million plus interest regarding the debentures. At the same time the Company filed a counter claim for judgement in the amount of $2,500,000 against IEMR (HK) and its related parties for questionable and self-serving practices that resulted in significant damages to the Company. Until such times these cases are settled, no interest payments or debt repayments will be made.

In December 2017, MLY closed a private placement selling a total of 19,625,699 CuMoCo Units for total gross proceeds of $1,471,927 to repay the IEMR Debentures. Each unit consisted of one common share and one share purchase warrant (a "Warrant") exercisable to purchase one common share of the Company at a price of Cdn$0.125 per common share until December 5, 2019, subject to an acceleration provision whereby the term of the Warrants may be accelerated in the event that the Company's common shares trade at above a price of Cdn$0.175 per share for a period of 10 consecutive days. Shaun Dykes, the Company's CEO, and associated parties purchased 2.4 million units; Trevor Burns, the Company's CFO purchased 375,000 units for a total investment of $208,125.

In February 2018, the Company closed a convertible debenture offering of $2,768,500. The Debentures have an initial one-year term, automatically renewable annually for additional one-year terms, up to a maximum term of five years, secured by the assets of the Company's subsidiary, Idaho CuMo Mining, and pay interest at a rate of 8.75% interest per annum, with interest paid quarterly. The

Debentures are convertible into units of the Company at a conversion price of Cdn$0.075 per Unit at any time following four months and one day from the closing date until the first anniversary on the closing date, and thereafter up to converted, at the option of the holder, into Units at the Market Price determined at the time. To-date, the majority of the debenture holders have decided to accrue the interest.

Idaho CuMo Mining has two different promissory note agreements with two separate third-party lenders as follows: a) The first promissory note, entered into in March 2015 is comprised of two Idaho CuMo Units ("CuMo Unit") for total proceeds of US$500,000. Each CuMo Unit costs US$250,000, consists of a promissory note which accrues annual interest at 8.5%, matures 7 years from the date of issuance and includes an option to enter into a Silver Purchase Agreement Right with the Company. Upon notice that the triggering event has occurred (the decision by the Company to go into production), the CuMo Unit holder has 30 days to enter into the Silver Purchase Agreement Right. The Silver Purchase Agreement Right allows the holder to purchase up to 375,000 ounces of refined silver from the Company at a price of US$5.00/ounce, plus make an upfront payment of US$250,000. This note is secured by all of the assets of the subsidiary, Idaho CuMo (except for the six claims which make up the Boise Property). b) The second promissory note is comprised of an initial loan in the amount of US$250,000 which was received during fiscal 2015, and a second loan in the amount of US$250,000 which was received during fiscal 2016, for total proceeds of US$500,000. This loan accrues annual interest at 8.5% and was amended in January 2016 to extend the maturity date to December 31, 2025. This loan also includes an option to enter into a Silver Purchase Agreement Right (same terms as noted above in a)) with the Company. This note is also secured by the six patented claims which make up the Boise Property owned by Idaho CuMo.

The Company issued a US$250,000 promissory note per the Adair Property agreement (relating to property adjoining the CuMo property). The Company also issued an additional two promissory notes, with an aggregate total of $US500,000, per the Geo Resources option agreement. As of March 31, 2018, the Company has total promissory notes in the amount of $4,215,357. Shareholders equity totaled $15,177,551.

In February 2017, the Company entered into a Memorandum of Understanding ("MOU") with Millenia Minerals Pte Ltd., a Singapore-based investment firm. Millenia had raised approximately $1.7 million for CuMoCo in fiscal 2017. The MOU was for Millenia to directly invest, partner and or arrange capital of up to $200 million to be equally split ($100 million) for a 20% stake in the CuMo Molybdenum and $100 million for the Calida Gold Mining project for a 70% share, The first $1 million was received by Poly Resources, the U.S. subsdiary of CuMoCo that owns Calida, but to-date no other funds have been received by CuMoCo from Millenia.

Recently, the Company announced that it is closing the first tranche of a non-brokered private placement (the "Private Placement") raising up to $2 million through the sale of up to 20 million Units at a price of Cdn$0.10 per Unit consisting of one common share and one warrant exercisable at Cdn$0.15 per share for a period of two years from the date of issue, subject to an acceleration provision whereby the term of the warrants may be accelerated if the Company's common shares trade at or above a price of Cdn$0.175 per share for a period of 10 consecutive trading days. The first tranche consists of a total of 6,510,000 Units for gross proceeds of $651,000 to be allocated to ongoing permitting work at the CuMo Project, and for general working capital.

There are 168.9 million shares currently outstanding and fully-diluted shares are 230 million shares. CuMoCo's President and CEO, Shaun Dykes, and his family own about 30 million shares (includes options and warrants), an Australian investment banking family owns 4.1 million shares (includes options and warrants), and a California-based fund owns about 10 million shares, including warrants. Total institutional ownership is about 15%. There are approximately 3200 shareholders. CuMoCo has recently hired an investment banking firm, based in New York City to raise capital. The Company anticipates raising up to US$4 million from the private placement and convertible debentures, and up to US$20 million through the sale of silver stream debentures.

CuMoCo is looking to raise about $100 million in financing for the CuMo Project over the next three years. Financing options include high-yielding convertible debentures; equity plus direct interest; off-take arrangements (based on achievement of defined goals); equity plus direct interest; and joint-venture earn-in. CuMoCo has been engaged in talks with various large mining entities regarding off-

take arrangements but we think there is a greater likelihood that CuMoCo will obtain a better deal once the pre-feasibility study is released.

Valuation

In February 2017, American CuMo entered into a memorandum of understanding (MOU) with Millenia Minerals Pte Ltd. to invest, partner or arrange capital for up to $200 million; $100 million for a 70% interest in Poly Resources (the CuMoCo subsidiary owning Calida Gold) and $100 million for a 20% interest in Idaho CuMo Mining Corporation. Hence, an implied valuation of $500 million or about $3.20 per share for the CuMo Property. (To-date Millenia has not provided the promised funding, but if it did, the CuMoCo's 80% ownership position would be valued at $400 million or $2.58 per share. Assuming 400 million shares would be out in order to raise all the needed equity capital, we arrive at a valuation of $1.00 per share.

The Company should earn US$1 billion after-tax (assuming 500 million shares outstanding and the more realistic view that Millenia will not fund) or US$2.00 per share four years out from the commencement of production. **Assuming a 10X EPS multiple, that would mean a US$20 stock price by year four post production, assuming the Company meets its projections**. This does not include the Calida Gold property. We see the potential of either a spin-out of Calida to shareholders if the Company demonstrates value, a joint venture, or an outright sale.

Potential Risks

American CuMo and its stock is subject to the following risks:

- Kareg's valuation is quite sensitive to commodity prices of mainly molybdenum, and copper, but also to a lesser extent, silver, and tungsten.
- The ability to obtain permits, successfully complete required environmental feasibility studies, are important factors for the Company.
- Currently, none of the Company's projects are in production.
- Environmental conservation groups caused protracted delays in exploration of the CuMo property. The project may be subject to further delays as a result of environmental concerns from the public. However, recent challenges by environmental groups have not prevailed in the courts. Management believes local groups will ultimately reach settlements with CuMoCo.
- Financing Risk: There is no assurance that the Company will be able to raise the needed capital to complete feasibility, and then go to production, and a financing may be substantial dilution to equity holders. Development of a project the size of CuMo requires significant capital investment (an estimated $100 million to get through feasibility, and EIS; and over $2 Billion to build the plant and get to full production).
- Though the project has a very attractive PEA, it includes substantial inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized. Nevertheless, there is enough molybdenum in the mineral reserves category to cover more than 30 years of production.
- The Calida project does not yet have a compliant NI 43-101 resource estimate.
- Finally, the MLY stock is a micro-cap, subject to the normal risks associated with speculative, thinly-traded, low price stocks trading on junior exchanges.

Anticipated Near-Term Catalysts

- Continued recovery of global mining equities
- Improving fundamentals of underlying commodities such as Molybdenum, Silver, Copper, and Tungsten

- Closing of Financing in Q3-Q4 2018.
- Optimizations to be analyzed in Q2 2019
- Prefeasibility in Q2 2019
- Feasibility in Q2 2020
- Decision to proceed to production June 2020

Conclusion

We recommend purchase of **MLY / MLYCF** shares by speculative accounts seeking long-term capital appreciation. **Our target: US$1.00 per share within the next 18 months.**

Sheldon S. Traube
Director of Investment Research