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June 4 2009

MAIDEN IRON ORE RESOURCE ESTIMATE FOR SPINIFEX RIDGE

- **7.3 million tonne 59% Fe Resource**
- **Commencement of pre-development activities**
- **Development program outlined for 1 million tonne per annum DSO operation**

Moly Mines Limited [ASX/TSX Code: MOL] is pleased to announce the maiden Resource Estimate for the Spinifex Ridge Iron Ore Project, located 170km east of Port Hedland.

JORC Resource Classification	Tonnes '000	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
Indicated	6,110	58.9	8.5	1.7	0.15	0.006	4.7
Inferred	1,160	57.2	12.8	0.9	0.15	0.011	4.1

Resources quoted at a > 50% Fe cut off grade
Full drilling data supporting this resource calculation was released to the market on May 19, 2009

With the maiden JORC resource finalized, the Company has commenced mining and processing feasibility studies considering a minimum 5 year direct shipping ore (DSO) operation with production rates of at least 1 million tonnes of direct shipping hematite ore per annum.

Initial studies have demonstrated first production from the Spinifex Ridge Iron Ore Project could be achieved within 3-6 months of a decision to mine. Mine design and optimizations have commenced in conjunction with metallurgical test work programs.

The iron ore development schedule is assisted by the permitting approvals that have already been received for the Spinifex Ridge Molybdenum Project. The iron ore deposits at Spinifex Ridge are coincidentally located on the mining leases that

host the Molybdenum / Copper Resource and the site is well supported by excellent infrastructure between the site and export facilities at Port Hedland.

Preliminary mining and process modeling has demonstrated a low cost capital start-up for the Spinifex Ridge Iron Ore Project of approximately A\$12-\$15 million utilizing simple open pit mining, crushing and screening processing techniques to produce lump and fines product.

Financial modeling, incorporating the latest commentary on benchmark pricing for 2009, has highlighted the significant cash generating potential of the project with potential operating costs in the order of A\$45-50/tonne (before government royalties) targeted over the initial 5 year life of mine.

Additional iron ore drilling to further expand the known resources has commenced at Spinifex Ridge. Detailed geological mapping has also identified further prospective Fe occurrences on the Spinifex Ridge licenses.

Financial Obligations

The Company continues its discussions with its principal lender with regards to the potential restructure of its debt obligations. Pursuant to an Interim Financing Facility entered into in September 2008, Moly Mines debt (US\$150 million plus accrued interest) matures on October 31, 2009. The Company is actively pursuing a number of alternatives that will assist in this regard including:

- Potential development scenarios for the Spinifex Ridge Iron Ore Project;
- Joint venturing an interest in the Spinifex Ridge Molybdenum Project;
- Divesting surplus assets to the 10 million tonne per annum Spinifex Ridge Molybdenum Project start-up model; and
- Reviewing acquisition opportunities that present near term cashflow potential to facilitate the restructure of debt obligations.

Yours sincerely

Derek Fisher
Managing Director and Chief Executive Officer
Moly Mines Limited

Competent Person Statements

Assumptions and Methodology

Resource Statement

Resource estimation of the Auton, Auton NE, Galifrey and Dalek Bedded Iron and Detrital Iron Deposits (BID & DID) was completed by Mining Assets Pty Ltd (Mining Assets) on behalf of MOL. The resource estimate was classified in accordance with the Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Data

All drill data available on the 5th May 2009 has been used in the estimate. The majority of drilling was completed using reverse circulation techniques on 40 metres by 40 metres and 20 metres by 25 metres grids. Samples were collected at 1m intervals and submitted to ALSCHEMEX Laboratories for multi element XRF analysis.

QAQC data collected by MOL includes field duplicates, field blanks, external lab checks and standard reference material and was supplemented by the laboratories usual internal checks (standards, duplicates, and % passing). No issues were identified in the analysis of this data.

Interpretations for BID & DID (styles of mineralisation) were completed by MOL geologists using a 50% Fe cut-off grade according to drill sample assays. Each mineralisation style is represented by multiple, distinct zones.

Resource Estimation

Sample assay data for Fe, Al₂O₃, LOI, SiO₂, P & S was composited to 1m and flagged by zone and mineralisation style for statistical and geostatistical analysis. For geostatistical analysis, data was combined to represent the two mineralisation styles (BID & DID) and in general, well structured down-hole and directional variograms were obtained for all analytes assessed.

Estimation was completed using ordinary kriging with un-cut data. Each zone was estimated separately using hard boundaries and variogram parameters of the combined BID or DID domain. Results were validated using a qualitative assessment of grade ranges as represented in the block model versus the drill hole grades, and quantitatively by assessing average block model grades versus in-put grades on a global and drill cross-section basis.

Average Dry bulk density values were assigned to each mineralisation style based on results of 194 surface and core samples. The resource estimate was classified based on data density, geological confidence, estimation confidence and data quality.

Competence and Responsibility

The information in this report that relates to drill data and geological interpretation is based on information compiled by Mr Brendan Cummins who is a Member of the Australian Institute of Geoscientists. The information in this report that relates to Mineral Resources is based on information compiled by Mr Clay Gordon who is a Member of

The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Cummins is a full-time employee of the company and Mr Gordon is employed by Mining Assets Pty Ltd.

Both Mr Cummins and Mr Gordon have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Cummins and Mr Gordon are Qualified Persons within the meaning of such term under NI-43-101. Mr Cummins and Mr Gordon consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statements

This news release includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Moly Mines' control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this news release, including, without limitation, those regarding Moly Mines' future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Moly Mines' actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information.

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