



## **MOLY MINES LIMITED**

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### **MOLY MINES RESTRUCTURES DEBT**

Moly Mines Limited [ASX/TSX Code: MOL] is pleased to announce it has agreed with the Trust Company of the West ("TCW") a one month extension to the maturity for the US\$150 million Interim Financing Facility to 30 November 2009 and a Term Sheet describing the basis for the restructure of the full facility.

The proposed restructure will relieve significant time and financial pressures on MOL and allows the Company to develop the Spinifex Ridge mineral deposits in an orderly fashion. The restructure of the Interim Financing Facility, (plus US\$33 million of accrued interest), is subject to final agreement on documentation.

The proposed restructure provides that:

- US\$140 million of notes will be extended with the coupon reduced to 15% and with varying maturities:
  - US\$20 million will be due 5 years from October 31, 2009;
  - US\$80 million will be due for repayment in 2 years from 31 October, 2009; and
  - US\$40 million will be due for repayment 18 months from 31 October, 2009
- US\$43 million of notes and accrued interest will be retired from cash sources forecast to be existing as at the date of restructure.

The Term Sheet is subject to a number of conditions, including undertaking a successful equity capital raising of a minimum of US\$25 million to be used primarily for the development of the Spinifex Ridge Iron Ore Project. Any surplus funds raised above this minimum level will be used to pay down, in the first instance, the US\$80 million of 2 year notes listed above; and then the US\$20 million of 5 year notes listed above.

This equity capital raising is planned for September and it is intended that existing shareholders will be able to participate in this process through a share purchase plan, with details to be announced shortly.

The Noteholders are to be issued with 5,958,039 Warrants in the Company at an issue price of A\$0.0001 per Warrant maturing in 10 years from the date of grant as part consideration for completing the restructure. The grant of the Warrants will be subject to shareholder approval. In the event that the Company fully repays the TCW debt facility by 30 November 2009, these additional Warrants will not be issued.

The Spinifex Ridge Molybdenum Project is fully permitted, ready for construction with over A\$100 million of long lead equipment manufactured and delivered to Perth.

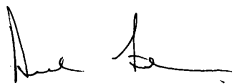
Following the restructure, the Company intends to:

- Bring the Spinifex Ridge Iron Ore Project into production; and
- Complete final engineering and design work for the 10Mt/a project whilst pursuing full project financing.

The Company will also continue to divest the long lead items of equipment that are surplus to a 10Mt/a Spinifex Ridge Molybdenum Project start-up (as described in the June 2009 Quarterly Activities Report), with proceeds from any divestment being applied to the repayment of the 18 month notes listed above.

The strengthening molybdenum market, reflecting continued growth from China, is expected to be further supported by demand from Western Europe and North America as these economies recover from the impacts of the global financial crisis.

Yours sincerely



Dr. Derek Fisher  
Managing Director and Chief Executive Officer  
Moly Mines Limited