



MOLY MINES LIMITED

46-50 Kings Park Road, West Perth
Western Australia 6005

PO Box 8215, Subiaco East
Western Australia 6008

Telephone +61 8 9429 3300
Facsimile +61 8 9429 3399

Email info@molymines.com
ABN 32 103 295 521

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SPINIFEX RIDGE IRON ORE PORT ACCESS GRANTED, PRE-FEASIBILITY STUDY COMPLETED

Moly Mines Limited [ASX/TSX Code: MOL] is pleased to announce that it has received advice from the Port Hedland Port Authority ("PHPA") that capacity will be made available at its new Utah Point bulk commodity export facility for iron ore from the Spinifex Ridge Iron Ore Project.

Port access was the only remaining major logistical barrier for the development of the Iron Ore Project.

The Utah Point facility is currently under construction and on-schedule for completion during 2nd quarter 2010. It will provide stock-pile, reclaim, ship loading and wharf facilities with the bulk commodity berth designed to handle 17.1 Mt/a.

Moly Mines has been allocated an initial 0.8 Mt/a iron ore capacity for 20 months commencing July 2010.

The arrangement is subject to the execution of a facility agreement which is currently being prepared.

Completion of Iron Ore Pre-Feasibility Study

Moly Mines is also pleased to announce the completion of a Pre-Feasibility Study ("PFS") for the Spinifex Ridge Iron Ore Project that has successfully demonstrated the viability of a 1 Mt/a open cut mining and processing operation.

The Project is located on the same mining lease as the Spinifex Ridge Molybdenum Project and is within 1km of the planned open pit which has previously received full environmental and native title permitting.

The only remaining material approval required for the Spinifex Ridge Iron Ore Project is the acceptance of a mining proposal, which is currently being completed. The company expects to receive this approval by the end of 2009.

Operating Philosophy

Open pit mining operations will be undertaken by contract miners providing drill and blast, and load and haul services. Ore will be delivered to a Company owned, conventional semi-mobile crushing and screening plant which will produce two products, Lump (> 6 mm, <31.5 mm) and Fines (<6 mm). Contract road haulers using quad trailer, "road trains" will transport the final product to Port Hedland to be shipped to customers.

Mineral Resources

The PFS was based on the following Mineral Resource, which was announced in June 2009:

Classification	Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃	P%	S%	LOI%
Indicated	6,110,000	58.9	8.5	1.7	0.15	0.006	4.7

In addition there is a further 1.2 million tonnes of Inferred Resource at 57.2% Fe, while recent drilling and geological mapping and prospecting has found further occurrences of iron mineralization (refer June 2009 Quarterly Report), none of which are considered by the PFS.

Mine Planning and Scheduling

Open pit mine designs have been undertaken on the three drilled iron resources at Spinifex Ridge, namely Dalek, Gallifrey and Auton based upon the total Indicated and Inferred Resource. The total *in pit resource* within these designs is estimated at 5.2 million tonnes of direct ship iron ore with an additional estimated 300,000 tonnes of ore that is in the Inferred Mineral Resource category.

The Company has completed pit optimizations using the Whittle™ software package and completed mine design and ore scheduling. Input factors used in the mine optimization process were developed by Moly Mines and included assumed overall pit slope angles, benchmarked mine operating costs, estimated ore handling, ore processing, transportation and marketing costs, revenue estimates including impurity assessments and state government royalties.

A Mineral Reserve is currently being calculated.

The total mining inventory, which includes an estimated 300,000 tonnes of Inferred Mineral Resource is estimated at:

In Pit Mineral Resource Summary										
Pit	Ore	Waste	Total Material	S/R	Fe	Al2O3	LOI	P	S	SiO2
	kt	Kt	kt		%	%	%	%	PPM	%
GALLIFREY	1,579	4,346	5,925	2.75	59.67	1.50	4.96	0.16	64.01	7.30
AUTON	3,650	10,593	14,242	2.90	59.20	1.70	4.75	0.11	136.77	8.03
DALEK	274	1,271	1,545	4.64	60.50	0.54	0.96	0.21	26.26	11.27
GRAND TOTAL	5,503	16,209	21,713	2.95	59.40	1.59	4.62	0.13	110.38	7.98

Operating and Financial Models

Financial analysis of the Project has been run only on the 5.2 million tonne of Indicated Mineral Resources within the pit shells.

Mine Statistics

	Unit	Base Case
Life of mine	Years	5+
Capital cost	A\$'M	9.4
Pre-strip commences	Date	Q1 2010
First ore production	Date	Q2 2010
First shipment	Date	Q3 2010
Mining and processing rate	mt/a	1.0
Ore tonnes mined	'000	5,200
Waste tonnes mined	'000	15,574
Strip ratio	X	3.0
Average Fe grade	Fe%	59.4
Lump/Fines ratio	X	40/60
Mining cost	A\$/t	9.7
Crushing costs	A\$/t	4.1
Haulage costs	A\$/t	19.2
Port costs	A\$/t	7.5
Site administration & overhead	A\$/t	5.2
Total operating cost	A\$/t	45.7

Cost Estimates

Total capital cost, before contingencies, for the 1mt/a development is estimated at A\$9.4 million. A further A\$2.4 million ship loading prepayment will be made to the PHPA to reserve stockpiling and shipping capacity at the Utah Point facility.

Total operating cost is estimated at A\$45.7/t ore mined (FOB Port Hedland) and has been generated variously from third party quotes and in-house development studies.

Financial Evaluation

The Project has been modeled at various iron ore prices net of sales discounts and commissions estimated to reflect ore quality. Moly Mines believes it has carry forward losses in excess of A\$90 million to be utilized against future iron ore revenues.

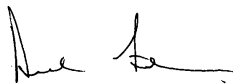
	Unit	Benchmark Prices Flat	3 Year Benchmark Average	5 Year Benchmark Average	Commodity Analyst Forecast	100% Spot Fines Price Flat
Gross revenue	US\$/t	51.4	60.0	49.3	49.7	58.4
Commission	US\$/t	(2.1)	(2.4)	(2.0)	(2.0)	(2.3)
Royalties	US\$/t	(3.2)	(3.7)	(3.2)	(3.1)	(3.6)
Net revenue received	US\$/t	46.2	53.9	45.8	44.6	52.5
Net revenue	A\$'000	319,292	372,272	316,390	307,532	362,223
Net pre-tax project cashflow	A\$'000	67,680	120,660	64,778	55,921	110,611
Post tax IRR	%	68.6	121.3	65.7	76.2	111.7

- 1) 5 year and 3 year averages to 30 June 2009
- 2) Spot price per Metal Bulletin Iron Ore Index 27 August 2009 quoted on a CFR China basis for US\$83.85/t.
- 3) Foreign exchange rates use an A\$:US\$ rate over the life of the project based on the forward curve at 13 August 2009.

Marketing and off-take discussions are proceeding well with positive feedback on ore quality and specification. With port access now secured, these arrangements can be concluded as the Company sees fit.

Pursuant to Canadian securities laws, an NI43-101 Technical Report for the PFS is being finalized.

Yours sincerely



Derek Fisher
 Managing Director and Chief Executive Officer
 Moly Mines Limited

Competence and Responsibility

The information in this release 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 release 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 Moly Mines 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'. Mr Cummins and Mr Gordon consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.