

21 September 2009

000001 000 MOL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder

General Meeting

On 3 September 2009, Moly Mines Limited (the **Company**) announced its intention to undertake a capital raising targeting a minimum US\$25 million, as a condition to the restructure of its US\$150 million Interim Financing Facility with four funds associated with Trust Company of the West (the **TCW Funds**).

The restructure of the Interim Financing Facility is essential for the Company's development ambitions for both the Spinifex Ridge Molybdenum Project and the Spinifex Ridge Iron Ore Project and is fundamental to the interests of shareholders.

The capital raising will include both a private placement to institutional and sophisticated investors (**Institutional Placement**) and a share purchase plan for shareholders (**SPP**).

The first US\$25 million raised under the Institutional Placement and SPP will be used for the development of the Spinifex Ridge Iron Ore Project, detailed final engineering feasibility study work for the 10 million tonne per annum Spinifex Ridge Molybdenum Project and general working capital and corporate purposes.

Any surplus funds raised above this minimum level will be used to pay down the Interim Financing Facility as detailed in the enclosed Explanatory Memorandum and Notice of Meeting.

The Institutional Placement will be completed at an issue price of at least 80% of the average market price for Moly Mines shares over the last 5 days on which sales in the shares were recorded before the day on which a final prospectus in respect of the Institutional Placement is lodged. A bookbuild to determine a price per share and size of the issue for the Institutional Placement will be undertaken during the week commencing 21 September 2009.

As part of the restructure of the Interim Financing Facility, the Company has agreed to issue 5,958,039 Warrants in the Company to the TCW Funds at an issue price of A\$.0001 per Warrant maturing in 10 years from the date of the grant. These Warrants

are those detailed in the original financing documentation with the TCW Funds completed in September 2008 described as "Roll Over Options".

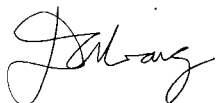
The Company has convened a General Meeting to seek approval from shareholders of the Institutional Placement and the proposed issue of the Warrants.

The General Meeting will be held at The Celtic Club, 48 Ord Street, West Perth, on 26 October 2009 at 8:30am (Perth, Western Australia time). I hope you will be able to attend.

If you are not able to personally attend the meeting, details of how you can vote are set out in the enclosed Proxy Form. To be valid, Proxy Forms must be received at the designated address by no later than 8:30am on 24 October 2009 (Perth, Western Australia time). You should allow enough time, when posting or faxing your Proxy Form, to ensure that the Proxy Form will be received at the designated address by the cut-off time.

Thank you for your continuing support of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. Craig", written in a cursive style.

David Craig
Chairman
Moly Mines Limited



ACN 103 295 521

**Notice of General Meeting
and
Information Circular/Explanatory Memorandum**

**in respect of a
GENERAL MEETING OF SHAREHOLDERS
to be held on 26 October 2009 at 8:30am**

Dated 21 September 2009

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. If you wish to discuss any aspects of this document with the Company please contact the Company Secretary on (+61) 8 9429 3300.

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of the Company will be held at The Celtic Club, 48 Ord Street, West Perth, on 26 October 2009 at 8:30am (Perth, Western Australia time).

Shareholders are also invited to attend the meeting via teleconference at the Company's Canadian offices at Suite 1801, 80 Richmond Street West, Toronto, Ontario at 8:30pm on 25 October 2009 (Toronto, Canada time).

Agenda items

Special business

1 Approval of Institutional Placement

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 7.1 and for all other purposes (including the requirements of the Toronto Stock Exchange, as applicable), approval be given for the Company to allot and issue up to 125,000,000 fully paid ordinary shares in the capital of the Company at an issue price of at least 80% of the average market price for the shares over the last 5 days on which sales in the shares were recorded before the day on which a final prospectus in respect of the Institutional Placement is lodged, as part of the Institutional Placement on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Voting exclusion: In accordance with Listing Rules 7.1 and 14.11, the Company will disregard any votes cast on this resolution by:

- shareholders who participate in the Institutional Placement; and
- any of their associates.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2 Approval of issue of warrants

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 7.1 and for all other purposes (including the requirements of the Toronto Stock Exchange, as applicable), approval be given for the Company to issue up to 5,958,039 Warrants to TCW Energy Fund XIV, L.P., TCW Energy Fund XIV-A, L.P., TCW Energy Fund XIV-B, L.P. and TCW Energy Fund XIV (Cayman), LP. (collectively the **TCW Funds**) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Voting exclusion: In accordance with Listing Rules 7.1, the Company will disregard any votes cast on this resolution by:

- the TCW Funds; and
- any of their associates.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

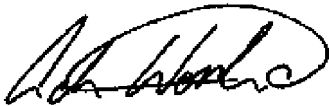
Explanatory memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this notice of meeting.

By Order of the Board

date 21 September 2009 _____

sign here ▶



Andrew Worland
Company Secretary

INFORMATION CIRCULAR

FOR THE GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 26 OCTOBER 2009

The Company is a reporting issuer in certain provinces of Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations*, the following disclosure is required to be included with this Notice of General Meeting and Explanatory Memorandum.

PURPOSE OF SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of ordinary shares of the Company (“**Shares**”). The Meeting will be held at The Celtic Club, 48 Ord Street, West Perth, on 26 October 2009 at 8:30am (Perth, Western Australia time), for the purposes set forth in the Notice of General Meeting of Shareholders accompanying this Information Circular.

The directors of the Company (the “**Directors**” or the “**Board**”) recommend that Shareholders read in full this Information Circular and the Explanatory Memorandum in conjunction with the accompanying Notice of General Meeting.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by Directors, officers and employees of the Company who will not be additionally compensated therefore. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Enclosed herewith is a form of proxy for use at the Meeting. The enclosed form of proxy provides for the appointment of the Chairman of the Meeting (who may be a Director or officer of the Company) if no person is named in the form of proxy, or if the appointment of a person named in the proxy fails. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent him at the Meeting other than the Chairman of the Meeting by inserting the name of his chosen nominee in the space provided for that purpose on the form of proxy. A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes.**

A proxy will not be valid for the Meeting unless it is signed by the Shareholder or by the Shareholder’s attorney duly authorized in writing or, if the Shareholder is a Company, executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited not less than 48 hours before the Meeting together with an original or certified copy of any power of attorney or other authority under which the proxy was signed (if any) with:

Computershare Investors Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Facsimile (within Australia): 1800 783 447
Facsimile (outside Australia): +61 3 9473 2555

A Shareholder who has deposited a proxy may revoke it prior to its use, by instrument in writing executed by the Shareholder or by his attorney duly authorized in writing or, if the Shareholder is a company, executed by a duly authorized officer or attorney thereof in compliance with applicable law, and deposited at the office of Computershare Investor Services Pty Ltd at any time up to and including the last business day preceding the day of the Meeting or with the Company at any time up to prior to the commencement of the Meeting or with the Chairman of the Meeting on the day of, and prior to the start of, the Meeting.

ADVICE TO BENEFICIAL HOLDERS OF ORDINARY SHARES

Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares in the capital of the Company can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Shares will not be registered in the Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS Clearing and Depository Services Inc. or its nominee CDS & Co., which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their agents or nominees can only be voted (for, against or abstain for resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker’s clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers in Canada now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge proxy cannot use that proxy to vote Shares directly at the Meeting. The Broadridge proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

People who become Beneficial Shareholders by acquiring Shares between the Notice Record Date and the Voting Record Date and wish to vote at the Meeting, by proxy or by attending in person, should contact their broker or intermediary for instructions on how to do so.

VOTING OF PROXIES

All Shares represented at the Meeting by properly executed proxies appointing the Chairman of the Meeting (whether by appointment or default) will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Shares represented by the proxy will be voted in accordance with such instructions.

THE CHAIRMAN OF THE MEETING INTENDS TO VOTE ALL UNDIRECTED PROXIES IN FAVOUR OF ALL OF THE RESOLUTIONS.

The enclosed form of proxy confers discretionary authority upon the person named therein. If any other business or amendments or variations to matters identified in the Notice of General Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgement.

At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of General Meeting.

Further instructions in relation to completing the proxy form are included in the proxy form.

INFORMATION CONCERNING THE COMPANY

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information for the year ended June 30, 2008 is provided in the Company's financial statements and management discussion and analysis ("MD&A"). Copies of the Company's financial statements and MD&A is available on SEDAR and may be also obtained on request without charge from the Company, at 46-50 Kings Park Road, West Perth, Western Australia, 6005.

Voting Shares and Principal Holders Thereof

The Directors have fixed, (i) 21 September 2009 as the record date which entitles Shareholders of record at the close of business on 21 September 2009 to receive the Notice of General Meeting, and (ii) 5pm (Perth, Western Australian time) on 24 October 2009 as the record date which entitles Shareholders to vote at the Meeting pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) on the basis of one vote for each Ordinary Share held.

As at the date of this Information Circular, 94,195,677 Shares were issued and outstanding as fully paid.

To the knowledge of the Directors and executive officers of the Company no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying in aggregate 10 percent or more of the votes attached to all of the issued and outstanding Shares.

Indebtedness of Directors and Senior Officers

To the knowledge of the Directors and executive officers of the Company, none of the current or former directors, executive officers or employees of the Company, or associates of the foregoing are currently, or were during the year ended June 30, 2009, indebted to the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides an aggregate summary of all equity compensation plans previously approved by shareholders. Other than as disclosed in the attached Notice of General Meeting and Explanatory Memorandum, the Company does not have any equity compensation plans not previously approved by shareholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	5,651,000	A\$1.16	13,188,135
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	5,651,000	A\$1.16	13,188,135

Shareholders should also be aware that the Company has also agreed to issue a further 920,000 options to Directors pursuant to ASX announcements and TSX releases made in January and May 2009. Approval will be sought for the allotment of these options at the 2009 Annual General Meeting of Shareholders.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No Director or executive officer of the Company since July 1, 2008, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or any shareholder holding, on record or beneficially, directly or indirectly, more than 10% of the issued Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

AUDITOR

The auditor of the Corporation is Ernst & Young and were appointed prior to the Corporation's completion of the Initial Public Offering Prospectus dated January 24, 2004 lodged with the Australian Securities Investment Commission.

EXPLANATORY MEMORANDUM

Explanatory memorandum to shareholders

This Explanatory Memorandum has been prepared to help shareholders understand the business to be put to shareholders at the forthcoming general meeting.

1 Background to Resolutions 1 and 2

Interim financing facility

In September 2008, the Company's wholly-owned subsidiary, Moly Metals Australia Pty Ltd (**Moly Metals**) entered into a US\$150 million interim financing facility (**Interim Financing Facility**) with the TCW Funds. As part of the consideration for the Interim Financing Facility, Moly Metals issued notes worth \$US150 million (**Notes**) with a coupon of 20% per annum. Under the Interim Finance Facility, the Notes are due for repayment on 31 October 2009.

In addition to the Notes, the Company agreed to issue a total of 17,874,118 warrants to the TCW Funds with a 10 year maturity, exercisable into 1 ordinary share for each warrant held at an exercise price of A\$0.0001. The issue of the warrants, and the issue of ordinary shares on exercise of the warrants, were approved by the Company's shareholders at its annual general meeting on 27 November 2008. The terms and conditions of the warrants were set out in Annexure A to the Company's notice of meeting dated 17 October 2008.

Equity raising and restructure

On 31 August 2009, the Company, TCW and the TCW Funds entered into a term sheet for the purpose of restructuring the debt owed to TCW by the Company under the Notes (**Term Sheet**). As part of the restructure, the parties agreed to a one month extension to the maturity for the Interim Financing Facility to 30 November 2009.

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

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, detailed engineering feasibility study work for the 10 million tonne per annum Spinifex Ridge Molybdenum Project and general working capital and corporate purposes. 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.

Accordingly, the Company proposes to conduct a private placement to certain institutional and sophisticated investors (**Institutional Placement**) and a share purchase plan (**SPP**).

Institutional Placement

The Institutional Placement will be a private placement of up to 125,000,000 Shares in Moly Mines to institutional and sophisticated investors, to raise a minimum of US\$25,000,000 and maximum of US\$125,000,000. A bookbuild to determine a price per Share and size of the issue for the Institutional Placement will be undertaken during the week commencing 21 September 2009.

Share Purchase Plan

The Company will also offer eligible shareholders the opportunity to acquire additional Shares at the price set by the bookbuild. Subject to completion of the Institutional Placement (including shareholder approval), shareholders with a registered address in Australia, New Zealand and Canada will be entitled to participate in an SPP and will be able to apply for up to A\$15,000 worth of ordinary Shares without incurring any transaction costs.

Final details of the SPP will be set out in the documentation to be sent to shareholders.

Warrants

As part of the consideration for the extension of Notes maturities described above, the Company has agreed to issue to the TCW Funds 5,958,039 new warrants in the Company at an issue price of A\$0.0001 per warrant maturing in 10 years from the date of grant (**Warrants**). In the event that the Company fully repays the Interim Financing Facility by 30 November 2009, these additional Warrants will not be issued.

The key terms of the Warrants are as follows:

- each Warrant gives the holder of that Warrant the right to subscribe for one ordinary Share in the Company at A\$0.0001 (subject to the adjustments set out below);
- the Warrants are subject to the following adjustments:
 - (a) In the event of any reorganisation of capital of the Company, all rights of a Warrant holder will be changed to the extent necessary to comply with the Listing Rules and the policies of the TSX applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.
 - (b) In the event that a pro rata issue (except a bonus issue or an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) is made to the holders of Shares at a subscription price which is less than 90% of the market price on the day prior to the announcement date of the pro rata issue, the warrant exercise price will be reduced according to the following formula as amended in accordance with the Listing Rules from time to time (provided that if the application of the formula results in a number that is less than zero, the warrant exercise price will be reduced to zero):

$$\bullet O' = O - [E[P - (S + D)]] / [N + 1]$$

where:

- O' = the new warrant exercise price.
- O = the old warrant exercise price.
- E = the number of underlying Shares into which one Warrant is exercisable.
- P = the average market price per Share (weighted by reference to volume) of the Shares in the Company during the five trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

- (c) The number of Shares to be issued pursuant to the exercise of Warrants will be adjusted for bonus issues made prior to exercise of Warrants (except an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment). The number of Shares will be increased so that upon exercise of the Warrants the number of Shares received by a Warrant holder will include the number of bonus Shares that would have been issued if the Warrants had been exercised and Shares allotted prior to the record date for bonus issues. The warrant exercise price shall not change as a result of any such bonus issue.
- a Warrant holder may exercise any or all of their Warrants (subject to restrictions on the size of the lots that may be exercised) by giving notice to the Company at any time during the ten years after the date the Warrants are issued;
 - on exercise of the Warrants, the issued shares will be fully paid and will rank pari passu with existing issued shares in the Company and will be immediately transferable. The Company will seek quotation of Shares issued on exercise of the Warrants following their issue;
 - the Warrant holder will acquire good marketable title to the Shares, free and clear of any encumbrances;
 - the Warrants will not be listed for quotation on ASX or any other securities exchange;
 - Warrant holders do not have a right to participate in new issues or dividends without exercising their Warrants;
 - during the period 12 months after the issue of the Warrants, the Warrant holder may not sell, transfer, or grant, issue or transfer an interest in, or option over, the Warrant to a person unless the transferee is a sophisticated or professional investor (as defined in the Corporations Act 2001 (Cth)) and the transferee agrees not to sell, transfer, or grant, issue or transfer an interest in, or option over, the Warrant during that 12 month period to persons other than sophisticated and professional investors and to impose the same restrictions on any further transferee during the 12 month period following issue of the Warrants; and
 - the Warrants are governed by the laws of Western Australia.

Implications for the Company if the Resolutions are not approved

If shareholders do not approve the Resolutions, the Company may not satisfy certain terms and conditions of the Term Sheet and accordingly the Notes may become due and payable immediately. The Company would not be able to meet its repayment obligations under the Notes in these circumstances.

2 Resolution 1: Approval of Institutional Placement

Listing Rule requirements

Listing Rule 7.1 provides that a company must not, without the approval of its ordinary security holders (and subject to a number of exceptions), issue or agree to issue securities that, in any rolling 12-month period, amount to more than 15% of its ordinary securities.

Listing Rule 7.3 requires the Company to give its ordinary shareholders the following information in connection with Resolution 1:

- 1 The maximum number of ordinary Shares to be issued is 125,000,000. Moly seeks to raise between US\$25,000,000 and US\$125,000,000 under the Institutional Placement.
- 2 The Company will issue and allot the Shares within 3 months of the date of the meeting.
- 3 The issue price of the Shares will be at least 80% of the average market price for the Shares calculated on average over the last 5 days on which sales in the Shares were recorded before the day on which a final prospectus in respect of the Institutional Placement is lodged.
- 4 The Shares will be issued to certain institutional and sophisticated investors.
- 5 The Shares will rank equally in all respects with the Company's existing ordinary shares on issue.

- 6 As stated above, the funds raised up to the minimum of US\$25 million will be used to primarily for the development of the Spinifex Ridge Iron Ore Project, detailed engineering feasibility study work for the 10 million tonne per annum Spinifex Ridge Molybdenum Project and general working capital and corporate purposes. 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.

Directors' recommendation

The Directors unanimously recommend that shareholders vote **IN FAVOUR** of Resolution 1.

3 Resolution 2: Approval of issue of warrants

Listing Rule requirements

As for Resolution 1, approval under Listing Rule 7.1 is required for the issue to the TCW Funds of 5,958,039 Warrants under the Term Sheet.

Listing Rule 7.3 requires the Company to give its shareholders the following information in connection with Resolution 2:

- 1 The maximum number of Warrants to be issued is 5,958,039.
- 2 The Company will issue the Warrants on 30 November 2009 unless the Notes and accrued interest have been repaid in full by 30 November 2009, in which case the Warrants will not be issued. The Warrants are convertible by into new ordinary Shares in Moly Mines at any time prior to maturity.
- 3 The Warrants will be issued as part of the consideration given by the Company under the Term Sheet and as set out above. The conversion price of the warrants will be A\$0.0001.
- 4 The Warrants will be issued to the TCW Funds.
- 5 Each Warrant will convert to one fully paid ordinary Share in the capital of the Company. The Shares to be issued on conversion of the Warrants will rank equally in all respects with the Company's existing ordinary Shares on issue.
- 6 The funds raised from the conversion of the Warrants is immaterial.

Directors' recommendation

The Directors unanimously recommend that shareholders vote **IN FAVOUR** of Resolution 2.

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Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
 (outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 8:30am (AWST) Saturday 24 October 2009**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

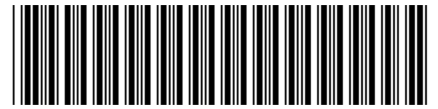
SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Moly Mines Limited hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Moly Mines Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 26 October 2009 at 8.30am (AWST) and at any adjournment of that meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Approval of Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval of Issue of Warrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /