

Australian Securities Exchange Limited Release – September 25, 2007

MOLY MINES PROCEEDS WITH SPINIFEX RIDGE PROJECT EXECUTION AND FINANCING

Moly Mines Limited (“MOL”), ASX/TSX: MOL is pleased to announce the completion of the Definitive Feasibility Study (“DFS”) of a 20 million tonne per annum molybdenum / copper open pit mine and concentrator for the Spinifex Ridge Molybdenum Project.

The Board of MOL today adopted the findings of the DFS and has approved the continued development and execution of the Spinifex Ridge Project and financing plan.

The DFS has confirmed the technical and economic viability of the Project and was completed using a long term (post 2015) molybdenum price of US\$13.80, less than half the current price of approximately US\$32.00/lb.

MOL CEO Derek Fisher said “We are delighted with the outcome of the DFS particularly given the challenging development environment within the resources industry, not just here in Western Australia but globally. The large resource at Spinifex Ridge is sufficient to support a long-life mine. We have expanded the plant size by 33% from the 15 mt/a pre-feasibility study and demonstrated a robust project capable of being a significant world producer of molybdenum. All technical disciplines reported in the DFS plus the financial projections have been backed by independent analysis.

World molybdenum market fundamentals look extremely strong fuelled by consistently strong growth and limited new supply. Detailed engineering commenced in August and long lead orders for the comminution circuit were placed in April of this year. We have a clear execution schedule and a highly energetic and motivated team ready to bring Spinifex Ridge to financial close during Quarter 1, 2008 for plant start-up in July 2009.”

Key outcomes of the DFS, which models the first 10 years of the mine, are as follows:

Project Economics

Pre-tax NPV at 8.50% discount rate (real)	A\$855M
Pre-tax IRR (real)	21.5%
Average annual EBITDA	A\$264M
Total Mo revenue generated – 10 years	US\$4,398M
Total Cu revenue generated – 10 years	US\$542M
Long Term Mo Price (applied 2015 and beyond)	US\$13.80/lb
Capital Payback from positive cashflow	36 months

Adopting spot commodity prices at August 31, 2007, key project economics are:

Project Economics

Pre-tax NPV at 8.50% discount rate (real)	A\$3,464M
Pre-tax IRR (real)	40.9%
Average annual EBITDA	A\$673M

Mineral Resources and Reserves	Million Tonnes	Mo Grade (%)	Cu Grade (%)	Ag Grade (g/t)
Measured and Indicated Resources	469.2	0.058	0.089	1.7
Proven and Probable Reserves	314.6	0.061	0.092	1.7
First 10 Years Mining	197.2	0.065	0.098	1.7

Production Statistics

Plant throughput	20Mt/a
Average cash operating cost – 10 years (after Cu, Ag credits)	US\$6.92/lb
Ore tonnes mined – first 10 years	197.2M
Waste tonnes mined (including pre-strip) – first 10 years	264.9M
Strip Ratio	1.3:1
Average mined Mo grade – first 10 years	0.065%
Average mined Cu grade – first 10 years	0.098%
Average Mo recovery rates	85%
Average Cu recovery rates	64%
Annualised Mo Production in Concentrate	24Mlb
Annualised Cu Production in Concentrate	27Mlb
Capital Cost Estimate	A\$1,071M (US\$852M)

SPINIFEX RIDGE DEFINITIVE FEASIBILITY STUDY

PROJECT SUMMARY AND EXECUTION

The DFS for the Spinifex Ridge Molybdenum Project (“Spinifex Ridge” or the “Project”) considers a 20 Mt/a molybdenum (“Mo”)/ copper (“Cu”) open pit mine and concentrator facility that will produce 24 million pounds of Mo in concentrate and 27 million pounds of Cu in concentrate, on an annualised basis, for an initial 10 years.

The aim of the DFS was to develop and document a single technically and commercially optimised project suitable to be financed and progressed to the execution phase. MOL provided the strategic direction to all participants for the execution of the DFS scope of work.

The DFS report covers numerous disciplines and involved 18 months of comprehensive study across many disciplines with over 73,000 man-hours of technical input.

DFS Process

The DFS has been prepared and managed by WorleyParsons in conjunction with a number of other consultants. ASX-listed WorleyParsons is one of Australia’s leading professional services providers to the resources and energy sectors with over 23,000 personnel in 32 countries.

The DFS is based largely on data generated by WorleyParsons, MOL and its consultants and contractors over the 40 months since MOL became associated with the Project. MOL also inherited drilling data from previous owners of the property.

The data bank and studies that contributed to the DFS include:

- 238 drill holes for 50,000 metres, including resource drilling, geotechnical drilling, sterilisation drilling, water drilling and large diameter-core drilling for metallurgical samples. The Resource estimate used 137 drill holes for 44,000 metres.
- 17,000 drill samples assayed with every 20th sample check assayed.
- 50 pit designs, and tenders from 4 mining contractors for drill, blast, load and haul costs.
- Numerous metallurgical studies and consultations.
- 95 comminution tests, 122 flotation tests, 3 pilot plant runs,
- 47,000 engineering man-hours, 630+ drawings, 58 material take-off’s.
- 2.5 year baseline environmental study.
- 2 independent molybdenum market studies.

The mine planning, metallurgical program and process design have all been subjected to independent peer reviews, including experts from South Africa, North America and Australia.

Mineral Resource

SRK Consulting (Australasia) Pty Ltd has prepared the independent resource estimate for the Spinifex Ridge Molybdenum Project. Based on a molybdenum cut-off of 0.03% Mo, total Mineral Resource within the JORC and NI43-101 classification of Measured and Indicated totals 469 million tonnes at 0.06% Mo (2 dp), shown as follows:

Mineral Resource

Classification	Mt	Mo (%)	Cu (%)	Ag (g/t)
Measured	187.4	0.065	0.103	1.8
Indicated	281.8	0.053	0.080	1.7
Total Measured & Indicated	469.2	0.058	0.089	1.7
Inferred	30.7	0.051	0.075	1.6

Refer to Appendix 1 for further details.

Mining Process

The Spinifex Ridge deposit will be mined utilising conventional large scale open pit mining methods. The DFS has considered an initial 10 year mining operation to support the DFS financial modelling. This exploits approximately 42% of the known resource, with the remainder being available for further exploitation.

The optimal 10 year mine design for the DFS has been determined using Whittle optimisation software which generates a series of nested pit shells based on specific revenue and operating cost assumptions as well as various operating statistics such as forecast plant recovery rates and overall pit angles. The nested pit shells are used as a guide for the practical pit design work and provide an estimate of the most optimal pit based on net present value of cash flows.

The initial 10 year open pit will be approximately 400 metres deep with surface dimensions of 1,100 metres x 1,250 metres.

Mineral Reserve

The Mineral Reserve is the portion of the Measured and Indicated Mineral Resource (adjusted for mining dilution and ore losses) contained within the optimised pit shell and mine design.

Total Mineral Reserve within the JORC and NI43-101 classification of Proven and Probable is as follows:

Mineral Reserve

Classification	Mt	Mo (%)	Cu (%)	Ag (g/t)
Proven	175.1	0.066	0.103	1.8
Probable	139.5	0.056	0.079	1.6
Total Mineral Reserves	314.6	0.061	0.092	1.7

Refer to Appendix 1 for further details.

During the first 10 years of operations, planned mining activities will mine 197.2 million tonnes of ore or 62% of current Proven and Probable Reserves. A further 117.4 million tonnes of Mineral Reserve and 272 million tonnes of Resource within the JORC and NI43-101 classified Measured and Indicated Resource will remain.

Classification	Mt	Mo (%)	Cu (%)	Ag (g/t)
Total Mineral Reserves	314.6	0.061	0.092	1.7
Mining Depletion During First 10 Years	(197.2)	(0.065)	(0.098)	(1.7)
Remaining Reserves	117.4	0.054	0.082	1.7

Metallurgy

Detailed metallurgical testwork was completed throughout 2006 and 2007 to develop an understanding of the molybdenum and copper processing characteristics. Bench scale tests were performed to understand the overall metallurgical behaviour of the material and enable the development of process flow sheets. Following this, a Pilot Plant program was undertaken to demonstrate that acceptable product could be derived through metallurgical processes simulating the processing environment of the planned operations. The detailed testwork also allowed selection of the final design for the comminution circuit, in particular the selection of High Pressure Grinding Rolls ("HPGR") as a preferred grinding media to a Semi-Autogenous Grinding ("SAG") mill.

The Pilot Plant testwork has also provided detailed analysis of grade / recovery profiles and allowed determination of ultimate recovery rates for both molybdenum and copper. The Pilot Plant produced molybdenum and copper concentrates which were assessed for impurities and tested for suitability for downstream processing by two major international roasting organisations, as well as being assayed by three independent laboratories.

Results of the testwork indicated that the selected processing design for Spinifex Ridge ore produces marketable concentrates capable of direct sale or toll treatment.

Process Description

The proposed processing plant will consist of a two stage crushing of ROM ore, followed by a HPGR and primary ball milling circuit. Molybdenum and copper will be recovered by flotation into a bulk concentrate. Molybdenum will be separated by copper depression and further flotation. The molybdenum and copper streams are then subject to separate regrinding and cleaning processes to produce final saleable molybdenum and copper concentrates.

Roasting

The DFS scope did not include a roaster for the molybdenum concentrates. There is currently sufficient world molybdenum roasting capacity to accommodate the Project's concentrate output. Estimates for roasting toll treatment charges based on discussions with toll roasters have been included within the Project's economic analysis.

Tailings

Mining and processing operations at Spinifex Ridge will produce around 20 million tonnes of tailings per year. Tailings will be filtered to recover approximately 85% of the process water for recycling. The filtrate is then conveyed to a stacking system using a GPS controlled moveable stacking conveyor system.

The overall environmental impact of the tailings storage will be small, and is a more efficient and environmentally friendly treatment alternative to conventional tailings disposal systems.

Infrastructure

Total Project water demand is estimated at 10.6 GL/a. The water supply system will source water from two bore fields to the north of the project. These areas are covered by water licence applications held by the company.

The workforce will operate on a Fly-in/Fly-out basis and as such a permanent village has been planned. A jet-capable airport to service the mine has been designed and costed.

Power

Power will be either generated on site from natural gas to be brought to the project by a dedicated pipeline or via reticulated power through an overhead power line. For the purpose of the DFS a Build Own Operate proposal has been considered using an independent power provider supplying power “over the fence” to the Project.

Permitting and Tenure

In September 2007 MOL announced it had reached agreement with the Njamal people, the only native title registered claimant group over the Spinifex Ridge Project area. The Land Access Deed provides a process for the unopposed grant of all future mining and other tenure required for the Spinifex Ridge Project development.

In August 2007 MOL submitted the Public Environmental Review (“PER”) document for public comment. Environmental approval is expected by end of Quarter 1 2008.

All mining leases required for the mine have been granted.

Capital Cost Estimate

The capital cost estimate for the proposed 20 million tonne per annum facility is shown below. It is recognised that the capital cost to progress the Spinifex Ridge Project to first production is significantly higher than the pre-feasibility study estimate of approximately 2 years ago. In recent times there has been a worldwide trend of escalating capital costs of major mining projects and this has impacted on Spinifex Ridge. However a significant portion of this rise is attributable to the 33% increase in the mining and throughput rate.

Capital Cost	
Item of Plant and Equipment	A\$M
Mining	21.3
Crushing & Grinding ⁽ⁱ⁾	120.8
Concentrator	335.3
Plant Infrastructure	108.9
Tailings	55.5
Plant Utilities	26.0
Accommodation Village, General Infrastructure	60.5
Water Supply	58.5
Site Services, Construction Support & Owners Costs	101.8
Sub total	881.6
EPCM Allowance	84.1
Contingency	98.3
Total ⁽ⁱⁱ⁾	1,071.0

- (i) Total crushing and grinding costs include payments of A\$7 million already made by MOL.
- (ii) Sustaining capital over the initial 10 year mine plan is estimated at A\$53 million.

Cash Operating Cost Estimate

Operating Cost	
Area	A\$/Tonne Milled
Mining	6.53
Processing	7.12
Selling, General & Administration	1.64
Total Cash Operating Cost	15.29

Molybdenum and Copper Price Forecasts

Two independent molybdenum market studies were undertaken by MOL in order to support price forecasts. Both studies have been completed by international companies experienced in market analysis and price forecasting. Both studies conclude that molybdenum oxide prices should remain strong in the near term before declining to a long term price between US\$13.80/lb and US\$14.60/lb. The Spinifex Ridge Project economic analysis has been based on the Study 2 conclusions.

Year	US\$/lb Study 1 2007: Real	US\$/lb Study 2 Applied to DFS 2007: Real
2009	31.00	31.80
2010	30.00	28.70
2011	20.00	24.60
2012	18.00	22.60
2013	14.50	20.00
2014	14.50	16.40
2015	14.50	14.90
2016 onwards	14.60	13.80

Assuming the price of molybdenum oxide averages US\$30.00/lb for 2007, the recent historical average price of molybdenum oxide will be US\$23.42/lb for the last 5 years and US\$13.57/lb for the last 10 years (in 2007 real terms).

A copper price of US\$3.00/lb has been applied from 2009 with a gradual decline to US\$1.50 by end of 2017. Copper revenue represents approximately 10% of Project receipts and, as such, copper price assumptions have a relatively minor impact on NPV for the initial ten year mine plan.

The following table demonstrates key financial outcomes based on various commodity pricing scenarios, holding all other assumptions constant.

Scenario	Pre-Tax NPV (A\$M)	Pre-Tax IRR (real)	Average EBITDA (A\$M)
Spot prices as at August 31, 2007 (Mo: US\$32.63/lb, Cu: US\$3.44)	3,463.8	40.9%	673.0
3 Year Price Average (Mo: US\$27.69/lb, Cu: US\$2.35)	2,340.5	32.0%	510.8
DFS Base Case (Study 2 above and details above)	854.8	21.5%	264.3

Financing Plan

MOL, together with its financial advisors, Azure Capital, have developed a detailed, comprehensive financing plan for the Project covering the equity and debt capital markets, potential joint venture partners and molybdenum end users. During the DFS, MOL has taken the opportunity to meet with many such parties and the level of interest in molybdenum production exposure and particularly for involvement in the Spinifex Ridge Molybdenum Project is very high. Following this release, MOL will commence its financing program. This program, planned and tested over the last several months, will involve engaging equity and debt arranging institutions in the next two months and completion of the financing by 31 March 2008, ensuring that the July 2009 commencement of production is maintained.

To facilitate the financing process MOL appointed Behre Dolbear Australia as the Independent Technical Expert and they have commenced their review of the DFS including making a visit to Spinifex Ridge.

Strategy for Project Execution

The schedule for the execution phase of the Project has been developed to achieve the earliest practicable completion of the construction and commissioning works to enable commencement of production operations in July 2009.

To achieve completion within that time-frame MOL has retained the services of a range of key commercial and technical professionals complemented by specialist service providers in the areas of mining development, engineering design and project delivery.

Critical path items include the delivery of long lead comminution equipment and the various services that support these items of equipment. Commitment to the supply of the comminution equipment was provided in April 2007 and full-form contract documents have now been executed. The manufacture of that equipment is on schedule.

Key Project milestones include:

Order of primary crushers, HPGR's and ball mills	April 2007
Commence detailed engineering	August 2007
Statutory Approvals	March/April 2008
Construction Mobilisation	April 2008
Start Pre-strip	July/August 2008
Delivery of long lead equipment	February/April 2009
Start up	July 2009

Conference Call

A conference call and webcast will be hosted in Toronto to discuss the DFS.

Conference Call Details	
Toronto	
Date	September 25
Time	4.30pm
Perth	
Date	September 26
Time	4.30am
Call Numbers	
Local (Toronto)	416.641.6127
North America Toll Free	1.866.542.4238
International Toll Free	1.800.8989.6323
Ask for the "Moly Mines conference call"	
Local (Toronto)	416.695.5800
Replay (International)	1.800.408.3053
Replay Passcode	3236185
Replay available until midnight, Tuesday October 2 nd , 2007	
Webcast Details_URL	www.molymines.com

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APPENDIX 1

MINERAL RESERVES

Table 1 below details Mineral Reserves.

These Mineral Reserves are based on Measured and Indicated Mineral Resources of 469.8 million tonnes at 0.06% molybdenum, 0.09% copper and 1.7g/t silver as reported in the October 2006 MOL Prospectus NI43-101 Technical Report. Mineral Resource details are listed in Table 2 below.

Table 1: Spinifex Ridge Mineral Reserves

Mineral Reserve Classification	Tonnes (million t)	Mo (%)	Contained Mo (tonnes)	Cu (%)	Contained Cu (tonnes)	Ag (g/t)	Contained Ag (million oz)
Proven	175.1	0.07	116,000	0.10	181,000	1.8	10.1
Probable	139.5	0.06	78,000	0.08	110,000	1.6	7.1
Total	314.6	0.06	194,000	0.09	291,000	1.7	17.2

Notes:

- Effective date of Mineral Reserves is 25th September 2007.
- These Mineral Reserves are a subset of the Mineral Resource.
- The term “Mineral Reserve” of NI43-101 is equivalent to the term “Ore Reserve” of the JORC code.
- The contained molybdenum and contained copper quanta in this table are included for ease of reference, but is not intended to suggest that actual recoveries of minerals would be in such amounts.
- Contained metal is calculated on exact tonnes and grades
- Ore loss and dilution factors were subjectively applied to blocks located on the outer margins of the mineralised envelope, however due to the large dimensions of the mineralised body, total ore tonnes were reduced by less than 4% with negligible reduction in grade.
- Pit optimisation was completed using Whittle software. Assumptions included: overall slope angles of 43°, mining costs per bench derived via contract tender process, A\$7.63 total cost for ore processing /tonne, base case prices of \$US12.50 /lb for Molybdenum and \$US1.50/lb for Copper, total selling costs of A\$2.53 /lb Mo.
- The mine design process takes inputs from the optimisation process, the physical environment, metallurgical, and production requirements to create practical mine designs that address the anticipated production environment. Additionally, the design takes into account a requirement for accelerated access to high grade ore, and a targeted initial 10 year operating mine life.
- There are no additional environmental, permitting, legal, title, taxation, socio-political, marketing or other issues that will materially affect the estimates of Mineral Resources and Mineral Reserves.

MINERAL RESOURCES

Table 2 below details Mineral Resources.

Table 2: Spinifex Ridge Mineral Resources

Mineral Resource Classification	Tonnes (million t)	Mo (%)	Contained Mo (tonnes)	Cu (%)	Contained Cu (tonnes)	Ag (g/t)	Contained Ag (million oz)
Measured	187.8	0.07	122,200	0.10	192,600	1.8	10.9
Indicated	282.0	0.05	150,000	0.08	225,900	1.7	15.4
Total M&I	469.8	0.06	272,300	0.09	418,500	1.7	26.3
Inferred	30.8	0.05	15,800	0.07	23,100	1.6	1.6

Notes:

- Effective date Mineral Resources is 20 October 2006 as disclosed in MOL Prospectus NI43-101 Technical Report.
- The term “Mineral Resource” of the JORC code is equivalent to the term “Mineral Resource” of NI43-101.
- Mineral Resources are quoted inside a nominal 0.03% molybdenum wireframe: a minor amount of lower grade material was included for geological continuity.
- The contained molybdenum and contained copper quanta in this table are included for ease of reference, but is not intended to suggest that actual recoveries of minerals would be in such amounts.
- Contained metal is calculated on exact tonnes and grades.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements”, which are subject to various risks and uncertainties that could cause actual results and future events to differ materially from those expressed or implied by such statements. Investors are cautioned that such statements are not guarantees of future performance and results. Risks and uncertainties about the Company’s business are more fully discussed in the Company’s disclosure documents filed from time to time with the Canadian and Australian securities authorities. Readers are cautioned not to rely solely on the summary of such information contained in this release, but should read the Moly Mines Limited financial statements for the year ended June 30, 2007, the Moly Mines Limited final prospectus dated October 20, 2006 and related technical reports posted on Moly Mines website (www.molymines.com) and filed on SEDAR (www.sedar.com) and any future amendments to such reports. Readers are also directed to the cautionary notices and disclaimers contained herein. All currency in this release is in Australian dollars unless otherwise stated.

COMPLIANCE STATEMENT

The information contained in the report to which this statement is attached relating Mineral Resources and Ore Reserves is based on information compiled and verified under the supervision of Dr Derek Fisher who is a Fellow of The Australasian Institute of Mining and Metallurgy.

Dr. Fisher is CEO of Moly Mines Limited and has 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' and as a Qualified person for purposes of National Instrument 43-101 of the Canadian Securities Administrators.

Dr Fisher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.