

MOLY MINES LIMITED
REMUNERATION COMMITTEE CHARTER

Effective Date: 23 March 2010

1. PURPOSE AND SCOPE OF CHARTER

The Board of Directors (the “**Board**”) of Moly Mines Limited (the “**Company**”) has the responsibility of ensuring that an effective internal control framework exists within the governance structure of the Company. The Remuneration Committee (the “**Committee**”) will assist the Board to meet its responsibilities for ensuring the existence of effective policies, processes and practices for rewarding executives and directors and for succession management. This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Remuneration Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s constitution, it is not intended to establish any legally binding obligations.

The Charter outlines the Committee’s role and responsibilities, and details the administration requirements for the Committee. This includes the membership and authority of the Committee, the role of chairman, conduct of the Committee meetings and attendance at these meetings and finally, the review of the Committee performance.

2. ROLE AND RESPONSIBILITIES

The primary role of the Committee is to act on behalf of the Board and shareholders of the Company to provide non-executive and independent oversight of the Company’s remuneration practices.

In carrying out this role, the Committee will:

- (a) Ensure the existence of effective management policies, processes and practices for rewarding executives and directors and for succession management;
- (b) Ensure the existence of remuneration practices that support the business objectives by enabling the Company to attract and retain high calibre executives and directors who will add value to the Company; and
- (c) Ensure that reward programs are fair and responsible and managed with integrity and in compliance with:
 - (i) the listing rules of the Australian Stock Exchange;
 - (ii) the listing rules of the Toronto Stock Exchange;
 - (iii) the *Corporations Act 2001* (Australia) and its related regulations;

- (iv) the *Securities Act* (Ontario) and its related regulations;
- (v) the rules promulgated by the Ontario Securities Commission; and
- (vi) principles of good corporate governance and best practice recommendations (collectively, “**Applicable Law**”).

In specific terms, the Committee will have the following responsibilities:

Salaries

- (a) Review overall remuneration philosophy, strategy, plans, policies and practices (including performance management methodology) for the recruitment, retention and termination of Company executives;
- (b) Ensure that there is a clear link between executive performance and remuneration, balancing salaries with variable rewards to reflect short and long term performance of the executives and the Company and motivating executives to pursue long-term growth and success of the Company within an appropriate control framework;
- (c) Review and recommend to the Board the proposed remuneration package of the CEO; and
- (d) Review and approve the CEO’s recommendations in regard to proposed remuneration packages of executives reporting directly to him.

Short Term Variable Rewards – Bonus/Incentive

- (e) Review incentive/bonus plan designs on a regular basis to ensure they comply with legislation and regulatory requirements and reflect industry standards;
- (f) Set performance measures and targets for the CEO;
- (g) Review the performance measures, targets and incentive/bonus opportunities for those reporting directly to the CEO, and the actual level of incentive/bonus payments at the end of the measurement period; and
- (h) Review the functioning of incentive/bonus plans to ensure their overall effectiveness in meeting Company objectives.

Employee Equity Plans

- (i) Review employee equity plan design (including any eligibility and performance criteria) on a regular basis to ensure plans comply with legislation and regulatory requirements and reflect industry standards;
- (j) Approve participants in employee equity plans;

- (k) Approve the total level of awards under the plans and the level of participation in the employee equity plans;
- (l) Review the functioning of employee equity plans to ensure overall effectiveness (including cost and tax impacts) in achieving Company objectives;

Remuneration for Non-Executive Directors

- (m) Review and recommend to the Board the remuneration structure for the non-executive directors of the Company, whether by way of annual fees, committee fees and/or retirement benefits;
- (n) Ensure that in determining the fees to be paid, non-executive directors shall not be eligible for inclusion in any short term incentive plans and shall not be eligible for inclusion in any Company equity plans;
- (o) Allow for non-executive directors to have a component of their fees directed to the purchase of Company securities;

Succession Management

- (p) Review and recommend to the Board the succession plans for the position of CEO;
- (q) Review and recommend to the Board the succession plans for the positions that report directly to the CEO and for the senior executive positions of the Company;

Termination Agreements

- (r) Review and recommend to the Board for approval the proposed termination payments and arrangements in respect of the CEO prior to his appointment;
- (s) Determine and regularly review the Company's termination policies, including the Company's policy in relation to the compensation agreed to be paid to any executive Director or other key executive in connection with the termination of employment, and, where appropriate, office as Director;
- (t) Review the Company's recruitment, retention and termination policies and procedures for senior management;

Reporting of Remuneration

- (u) Reviewing and approve proposed reporting of executive and director remuneration details and practices to ensure that disclosure is in accordance with Applicable Law;

Superannuation Arrangements

- (v) Review, consider and recommend suitable superannuation arrangements for the CEO and senior management of the Company; and

Shareholder engagement

- (w) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

3. ADMINISTRATION OF COMMITTEE

Structure

The Committee shall consist of three (3) or more directors, each of whom shall be independent. In determining whether a director is independent, the Board shall apply the definition of "independence" as set out in Canadian National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and the definition of "independent director" as set out in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations, each as amended from time to time and subject to any exemptions or relief that may be granted from such requirements.

Members of the Committee shall be appointed by the Board for one-year terms and may serve any number of consecutive terms. In appointing members to the Committee, the Board shall, where practical, ensure continuity of membership on the Committee. Members of the Committee are eligible for re-appointment at the will of the Board. However, the Board has no obligation to re-appoint any member of the Committee. Members of the Committee, including the Committee Chairman can be removed from the Committee during the term of the member at the discretion of the Board.

Administration

The Committee shall be assisted in an advisory capacity, as necessary, by the CEO, but the CEO will not be directly involved in determining his or her own remuneration or the remuneration of associates.

Committee Chairman

- (a) The Committee Chairman shall be appointed by the Board for a one-year term and may serve any number of consecutive terms.
- (b) The Committee Chairman shall, in consultation with executive management, and subject to input from other directors, establish the agenda for the meetings of the Committee and ensure that properly prepared agenda materials are circulated to members of the Committee in sufficient time for study prior to the meeting.
- (c) The Committee Chairman shall be independent.

Meetings

Except as otherwise provided in this Policy, the rules and regulations relating to the calling and holding of and proceedings at meetings of the Committee shall be those, making allowance for

the fact that it is a committee, that apply to meetings of the Board, subject to such modifications as may, from time to time, be determined by resolution of the Committee. Unless otherwise determined by resolution of the Board:

- (a) The Committee shall meet as frequently as required but not less than two times a year.
- (b) Any Committee member or the Company Secretary may call a meeting of the Committee.
- (c) A notice of each meeting shall be forwarded to each Committee member prior to the date of the meeting.
- (d) The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as they consider appropriate, subject to the invitee not having a material personal interest in the matter being considered by the Committee.
- (e) Minutes and resolutions of the Committee shall be maintained by the Company Secretary and distributed to all Committee Members and the Chairman of the Board following approval by the Committee Chairman.
- (f) The Committee Chairman must report the findings and recommendations of the Committee at the next Board meeting following each meeting of the Committee.
- (g) If required by the Board, the Committee Chairman must submit an annual report to the Board summarizing the Committee's activities during the year and the related significant results and findings.
- (h) The Committee must approve the details to be published in the Corporation's Annual Report, management information circular to shareholders, or any other statutory report or document with respect to the activities and responsibilities of the Committee.
- (i) Committee minutes and papers may be made available to any Director following a request to the Committee Chairman, providing no conflict of interest exists.

Attendance at Meetings

- (a) A quorum will comprise any two Committee members or a majority.
- (b) The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.
- (c) Each member shall have one vote and the Committee Chairman shall not have a second or casting vote.
- (d) If a member of the Committee is absent then his or her vote may be cast by any other Committee member in accordance with his or her instructions.

Authority of the Committee

The Committee has the authority to:

- (a) communicate directly with and seek any information it requires from any officer or employee of the Company or any of its subsidiaries and such officers or employees shall be instructed by the Board or any of its subsidiaries employing them to respond to such enquiries;
- (b) obtain independent professional or other advice in the fulfilment of its duties at the cost of the Company;
- (c) set and pay the compensation for any advisors employed by the Committee; and
- (d) obtain such resources and information from the Company in the fulfilment of its duties as it may reasonably require.

Review of Committee Performance and Charter

The Committee will annually revisit its Charter, membership, objectives and duties and evaluate the effectiveness of its performance. The Committee may make recommendations to the Board in relation to these matters.