

1 July 2013
ASX Limited
Exchange Plaza
2 The Esplanade
Perth, WA 6000

MINE GATE SALE IN EFFECT / EMPLOYEE OPTIONS

Moly Mines Limited (ASX/TSX: MOL) (Company) is pleased to advise that, following the approval of the Company's shareholders obtained at last week's General Meeting, the mine gate sale agreement for iron ore produced at the Company's Spinifex Ridge Iron Ore Mine with Mineral Resources Limited (ASX: MIN) (MRL) (Transaction) has come into effect today.

As a result of the Transaction about 15 site and Perth office employees have left the Company. The Company would like to thank each of them for their valuable contribution.

The Board of Directors has agreed that options issued to these employees will be cancelled except for those options that vested on 14th February 2013. A summary of employee options currently outstanding is attached.

After settlement of the Transaction, the Company will have a significant cash and liquid assets position of at least A\$80 million (equivalent to approximately 21 cents per share on a fully diluted basis). The Company will now focus its activities and resources on the acquisition strategy that was reinforced in its announcement of 26 June 2013.

Yours sincerely

A handwritten signature in black ink, appearing to read "Collis Thorp".

Collis Thorp
Acting Chief Executive Officer

Grant date	14 th February 2012			
Expiry date	14 th February 2016			
Exercise price	\$0.55			
Vesting price	\$0.65			
Vesting date	14 th Feb 2013	14 th Feb 2014	14 th Feb 2015	Total
Number outstanding as at 28 June 2013	4,349,986	3,083,337	3,083,340	10,516,663
Number cancelled through resignation	(50,000)	(50,000)	(50,000)	(150,000)
Number cancelled through termination	-	(533,336)	(533,337)	(1,066,673)
Number outstanding as 1 July 2013	4,299,986	2,500,001	2,500,003	9,299,990