



MOLY MINES LIMITED

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29 December 2015

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000
Australia

Iron Ore Sale Final Payment - Update

As advised to the ASX on 16 November 2015, as a consequence of an inability to agree on components of the final payment under the Iron Ore Sale and Purchase Agreement ("IOSPA") between Moly Mines Limited ("MOL" or "the Company") and Mineral Resources Limited ("MRL"), an Expert's report was received which, if correct and after all appropriate off-sets, would result in approximately A\$4.2 million being payable by MOL to MRL in the December 2015 Quarter.

Having considered the Expert's report in detail, MOL considers that the Expert's determination of Available Tonnages under the IOSPA is not valid. Consequently, the Company has not paid any amount to MRL and on 23 December 2015 issued a Dispute Notice to MRL under the IOSPA.

On 24 December 2015, MOL received a generally indorsed writ of summons from MRL claiming A\$4.9 million, calculated by reference to the Expert's determination of Available Tonnages.

MOL is currently reviewing the writ in the light of the Dispute Notice and provisions of the IOSPA to determine the appropriate course of action.

- ENDS -

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