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COMPANY UPDATE

Moly Mines Limited (ASX/TSX: MOL) ("**Moly Mines**") is pleased to provide the following update for the Spinifex Ridge Iron Ore Project and financing activities for the US\$500 million Project Finance Loan Facility for the Spinifex Ridge Molybdenum Project.

Spinifex Ridge Iron Ore Project

Site construction works have commenced at Spinifex Ridge following confirmation that completion of the Utah Point export facility at Port Hedland is on schedule and will be available to receive Spinifex Ridge ore from 31 October 2010.

The first tender package has been awarded for water delivery to site from the De-Gray borefield, 60km north of Spinifex Ridge. This \$3.5 million package will benefit early works programs for the Spinifex Ridge Molybdenum Project. A number of construction contracts are being finalized for award and tender packages for mining, crushing and haulage services are being finalized.

Mining activities are expected to commence in August with ore processing scheduled in October. Optimized mine plans and designs for the project are being finalized.

Upon the completion of final mine plans, designs and metallurgical test work, iron ore sales arrangements will be finalized.

US\$500 million Project Finance Loan Facility ("Loan Facility**")**

Members of Hanlong Mining Investment Pty Ltd ("**Hanlong**") and Moly Mines met last week with key executives of the Chinese financial institutions that are preparing to provide the Loan Facility for the Spinifex Ridge Molybdenum Project. Negotiations on the key terms and conditions is progressing with term sheets expected to be finalized by end of June 2010. Full legal documentation will be drawn up during 3rd quarter 2010.

Under the Subscription Agreement between Hanlong and Moly Mines, Hanlong are required to procure the Loan Facility by 30 September 2010. Based on the financing discussions to date, Moly Mines is confident of meeting the 30 September 2010 deadline for the provision of this funding.

Yours Sincerely



Andrew Worland
Company Secretary
Moly Mines Limited

This news release includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Moly Mines' control. These forward- looking statements include, but are not limited to, all statements other than statements of historical facts contained in this news release, including, without limitation, those regarding Moly Mines' future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Moly Mines' actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for molybdenum and copper; fluctuations in exchange rates between the U.S. dollar and the Australian dollar; failure to recover the resource and reserve estimates of the Project; the failure of Moly Mines' suppliers and service providers to fulfill their obligations under construction, supply and tolling agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labor shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information