

# Quarterly Activities Report

## December 2016



### Moly Mines Limited

ASX Code: MOL

#### Principal & Registered Office

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West Perth, WA 6005  
PO Box 8215  
Subiaco East, WA 6008  
T : +61 8 9429 3300  
W: www.molymines.com  
E : info@molymines.com

#### Issued Capital

Ordinary Shares: 384,893,989  
Warrants: 4,832,157

#### Board of Directors

Nelson Chen - Chairman  
Lou Guo Qing  
Gregory Jones  
Anthony Martin

#### Officers

Graeme Kininmonth - Acting CEO  
Ric Vittino – CFO  
Susan Hunter - Company Secretary

#### Investor Relations

Natalie Frame (Canada):  
+1 416 371 7541

#### Share Register

Computershare  
Level 11 / 172 St Georges Terrace  
Perth, WA, 6000  
T: +61 8 9323 2000  
F: +61 8 9323 2033  
www.computershare.com

### HIGHLIGHTS FOR THE DECEMBER QUARTER

#### Corporate and Finance

- During the Quarter, Moly Mines received notice from the ASX that it would exercise its discretion under Listing Rule 1.19 to refuse the Company's application to relist on the ASX if it chose to pursue the transaction to acquire Gulf Alumina, as announced in the previous quarter.
- As a result of the ASX decision, the Moly board determined to not proceed with the Gulf Alumina transaction.
- Moly is continuing to assess options to deploy its substantial cash assets of \$63.7 million (unaudited) at the end of the Quarter, for the benefit of all shareholders.

#### Operations

- The Spinifex Ridge Project remains on care and maintenance.

#### Exploration

- No exploration activity was undertaken on Moly tenements during the Quarter. There was significant activity undertaken evaluating the Gulf opportunity.

Note - all dollar amounts are in A\$ unless otherwise stated

### Corporate and Finance

At Quarter end, Moly Mines Limited (“Moly” or “the Company”) had \$63.7 M in cash (unaudited), compared to \$61.4 M at the end of the September 2016 quarter. This increase includes exchange rate fluctuations and repayment of the loan by Gulf Alumina to Moly.

#### *Gulf Transaction status*

During the Quarter, Moly was advised by the ASX of concerns it held over the relisting of Moly while Hanlong Mining Investments Pty Ltd (HMI) was a major shareholder of the Company.

The ASX’s key concerns related to the structure and beneficial ownership of the Hanlong Group, of which Hanlong Mining Investments Pty Ltd (HMI) is a subsidiary. Specifically, the ASX took issue with past activities of persons involved with Hanlong Group and the direct or indirect influence that those persons may have over decisions of the Hanlong Group and therefore over Moly.

This decision was very disappointing, particularly given the ASX had not raised any concerns when initially approached by Moly to discuss the structure of the proposed Gulf Alumina transaction and Moly’s potential relisting prior to the announcement of the transaction. Moly was led to believe that there were no fundamental obstacles to relisting, and as a result pursued the Gulf Alumina transaction incurring significant costs in doing so.

Despite a period of constructive discussions and the offer of a proposal addressing the concerns, the ASX decided that Moly would not be suitable for relisting. As a result, Moly’s Board made the decision not to proceed with the transaction.

### *Board & Executive Changes*

There were no changes in the Board or Executive made during the Quarter.

### *Securities on Issue*

During the Quarter, there was no change to the number of ordinary shares on issue.

	Balance 31 December 2016
Ordinary shares	384,893,989
Options	
-   EIG Warrants	4,832,157
<b>Diluted Total</b>	<b>389,726,166</b>

The shares of the Company remain suspended from official quotation by ASX. Moly remains an ASX listed entity. Moly has continued to liaise with ASX regarding options to address the concerns, cognisant of the ASX's April 2017 timeframe for delisting, as previously advised to the market.

In light of the impending ASX delisting, Moly is considering other listing options. Irrespective of the success or timing of listing of the company, Moly will continue to comply with the Australian Corporations legislation, including reporting and governance requirements.

Moly also continues to be a Reporting Issuer in Canada.

### **Merger and Acquisition Activity**

Until the decision by the ASX regarding the Gulf transaction, Moly was focused on successfully completing that transaction for the benefit of Moly shareholders.

As a result of that decision Moly has recommenced looking at other potential corporate and project opportunities. The Executive team currently has several opportunities under review, from early engagement to due diligence.

### Appendix A: Mining Tenements

Mining tenements held at the end of the December 2016 quarter, and their location, are given in the table below.

#### Western Australia

Tenement ID	District	Description	Ownership (100%)	Status
M45/1095	Marble Bar	Spinifex Ridge Project	Moly Metals	Granted
M45/1096	Marble Bar	Spinifex Ridge Project	Moly Metals	Granted
M45/1164	Marble Bar	Spinifex Ridge Project	Moly Metals	Granted
G45/276	Marble Bar	Spinifex Ridge Project	Moly Metals	Granted
L45/159	Marble Bar	Spinifex Ridge Infrastructure	Moly Metals	Granted
L45/160	Marble Bar	Spinifex Ridge Infrastructure	Moly Metals	Granted
L45/185	Marble Bar	Spinifex Ridge Infrastructure	Moly Metals	Granted
L45/186	Marble Bar	Spinifex Ridge Infrastructure	Moly Metals	Granted