LETTER FROM THE CHAIRMAN

Dear Shareholders,

Please find enclosed a Notice of Meeting and Proxy Form for Moly Mines Ltd’s (“Moly” or “the Company”) Annual General Meeting.

The Company’s Annual General Meeting will be held at 11.30am EST on Monday, 29 May 2017 at the offices of Computershare, Level 4, 60 Carrington Street, Sydney, NSW, 2000.

As announced on 21 April 2017, the Company ceased to be listed on the Australian Securities Exchange (ASX) on 22 April 2017. The Board has undertaken to significantly reduce administration costs and overheads post the delisting. I am pleased to advise that these cost saving initiatives are well underway.

We intend to relocate the head office of Moly, including all accounting and administration functions, to a shared services office in Sydney in the coming months. In addition, our Chief Financial Officer Mr Ric Vittino will be leaving the company effective 1 July 2017.

The Board has also decided to make certain changes to the management structure of the Company in an effort to bring the Company more into line with its current scale of operations and to reduce overall costs. These changes include the Board deciding that there will no longer be a need for Mr Graeme Kininmonth to continue in his role as Acting CEO of the Company beyond 1 July 2017. Given the current scale of the Company’s operations, after 1 July 2017 work duties currently undertaken by the Acting CEO will instead be undertaken by the Board, the Company Secretary and external consultants and contractors (as and when required).

I would like to take this opportunity to thank Graeme and Ric for their dedication and hard work, particularly over the recent challenging times. I know you will join me in wishing them every success in the future.

Moly’s Board continues to assess our options including pursuing project opportunities that we believe can add value for all our shareholders. We will also consider listing on exchanges that will provide an open market for shareholders to buy and sell shares.
We will continue to communicate with shareholders on a regular basis and all announcements will be posted on the Moly website (www.molymines.com). We encourage you to subscribe to our email list which you can do via the homepage on the Company’s website. We have included a Frequently Asked Questions sheet with this mail package which we hope will assist you in answering any questions you may have following the recent delisting of the Company.

The Board of Moly appreciates your continued support and patience and we look forward to keeping you updated on our progress.

Yours faithfully

Nelson Chen
Chairman
Moly Mines Limited
Shareholder Frequently Asked Questions

What does the delisting mean to me?

Moly Mines Limited (“the Company”) was delisted from the Australian Securities Exchange as at close of trade 21 April 2017 (“the Delisting Date”) and has become an unlisted public company. Each shareholder retains their existing fully paid ordinary shares in the Company which will have the same voting rights and entitlements as prior to delisting. Each shareholder will receive a share certificate in the mail post delisting.

How will I keep up with Company news?

The Company will continue to communicate with shareholders on a regular basis and all announcements will be posted on the Moly Mines Ltd website (www.molymines.com). Moly remains a Reporting Issuer in Canada and as such, all material information will continue to be released to the market in North America and filed on SEDAR.

We encourage all shareholders to subscribe to our email list which you can do via the homepage on the Company’s website.

What is the share certificate I will receive in the mail?

As the Company’s shares were quoted on ASX, you held your shares in uncertificated form. After the Delisting Date, your shareholding in the Company – whether CHESS sponsored or issuer sponsored – will be automatically converted into certificated form on the Company’s Australian share register, and a share certificate will be posted to your registered address. You are not required to do or pay anything to facilitate this.

What if I lose my certificate?

If you lose your share certificate, you will need to complete a Certificate Replacement Request Form and send it to Computershare for processing.

The Certificate Replacement Request Form can be downloaded from Computershare’s Investor Centre Website under the Printable Forms link at www.investorcentre.com or a copy of the Form is also available on the Company’s website.

How do I sell my shares now?

The only process for selling your unlisted stock is to locate a willing buyer and transfer the stock via an Off-Market Transfer.

The Transfer Form can be downloaded from Computershare’s Investor Centre Website under the Printable Forms link at www.investorcentre.com or a copy of the Form is also available on the Company’s website.
How do I view/update my details?

You will still be able to view/update your holding details through Computershare’s Investor Centre website at www.investorcentre.com. You will need your holder number which can be located on the right hand side of your share certificate.

For any further information regarding your shareholding in the Company, you can contact the share registry Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (Overseas), Monday to Friday 8am to 7pm AEST.

How do I change my address?

Following delisting, you can change your address through Computershare’s Investor Centre website at www.investorcentre.com.

Alternatively, you can complete a Change of Address Form and mail to this to Computershare for processing. The Change of Address Form, including information on how to complete the form and where to mail it, is available on the Company’s website.
Moly Mines Limited
ACN 103 295 521

Notice of Annual General Meeting
and Explanatory Memorandum

Annual General Meeting to be held at
the offices of Computershare,
Level 4, 60 Carrington Street, Sydney, NSW, Australia
on Monday, 29 May 2017 at 11.30am (EST).

The Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

A Proxy Form is enclosed. If you are unable to attend the Meeting, please complete and return the enclosed proxy form in accordance with the specified instructions.
Moly Mines Limited
ACN 103 295 521

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Moly Mines Limited ACN 103 295 521 (Company) will be held at the offices of Computershare, Level 4, 60 Carrington Street, Sydney, NSW, Australia on Monday, 29 May 2017 at 11.30am (EST).

Agenda items

Annual Financial Report

To receive and consider the financial report of the Company and the reports of the Directors and Auditors for the year ended 31 December 2016.

Neither the Corporations Act nor the Company’s Constitution requires a vote of Shareholders on these reports. However, Shareholders will be given a reasonable opportunity to raise questions or make comments on the reports and ask questions of a representative of the Company’s Auditor.

Resolution 1 – Re-election of Mr. Gregory Jones as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That Mr. Gregory Jones, who retires as a Director by rotation under rule 13.2 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Resolution 2 – Re-election of Mr Ivo Polovineo as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That Mr Ivo Polovineo, having been appointed as a Director of the Company since the last Annual General Meeting and who retires under rule 13.5 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”
Resolution 3 – Approval of termination payment to Mr Graeme Kininmonth

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of sections 200B and 200E of the Corporations Act and all other purposes, approval is given for the Company to pay the Termination Payment to the Company’s Acting CEO, Mr Graeme Kininmonth, in connection with him ceasing to hold that office as described in the Explanatory Memorandum.”

Voting Exclusion

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 3 by:
- Mr Graeme Kininmonth or any of his Associates; or
- a proxy who is a member of the Company’s KMP or a closely related party of any such member.

However, the Company need not disregard a vote if it is cast by:
- a person (including a member of the KMP or his or her closely related parties) as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- by the chair of the Meeting (provided the chair is not Mr Kininmonth or any of his Associates) as a proxy for a person who is entitled to vote pursuant to an express authorisation to exercise the proxy even though Resolution 3 is connected with the remuneration of a member of the KMP.

Dated this 4 May 2017.

By order of the Board

Susan Hunter
Company Secretary.
IMPORTANT INFORMATION
Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Entitlement to vote

It has been determined that under regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are the registered holders at 5.00pm (EST) on 27 May 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

Shareholders are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to indicate how your proxy should vote (or that they should abstain from voting), please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

Please note that the Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

Voting by proxy can be completed in one of the following ways:

1. Online: at www.investorvote.com.au
2. Mobile: scan the QR Code on the enclosed Proxy Form and follow the prompts
3. By mail: complete and sign the enclosed Proxy Form and return to:
   Computershare Investor Services Pty Limited
   GPO Box 242
   Melbourne VIC 3001 Australia
4. By Fax: complete and sign the enclosed Proxy Form and fax to:
   Inside Australia 1800 783 447
   Outside Australia +61 3 9473 2555
5. Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

To be effective, a Proxy Form and, if the Proxy Form is signed by the Shareholder’s attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

Corporate Representatives

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.
Explanatory Memorandum to Shareholders

This Explanatory Memorandum has been prepared to assist Shareholders in understanding and deciding how to vote on the business to be put to Shareholders at the forthcoming Annual General Meeting.

This Explanatory Memorandum is an important document. You should read it in its entirety before deciding how to vote at the Meeting.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and particular needs of Shareholders or any other person. Accordingly, it should not be relied upon as the sole basis for any decision in relation to the business to be put to the Meeting.

1. Annual Financial Report

The Corporations Act requires:

- the reports of the Directors and Auditors; and
- the annual financial report, including the financial statements of the Company for the year ended 31 December 2016,

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Company’s constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given a reasonable opportunity to raise questions or make comments on the management of the Company.

Also, a reasonable opportunity will be given to Shareholders as a whole at the Meeting to ask the Company’s Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor’s report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

2. Resolutions 1 and 2 – Re-election of Directors

In accordance with rule 13.2 of the Company’s Constitution, one-third of the Directors for the time being (excluding the Managing Director and any Director appointed since the last Annual General Meeting), must retire from office by rotation at the Company’s Annual General Meeting and are eligible for re-election.

In addition, rule 13.5 of the Company’s Constitution provides that a person appointed as a Director either to fill a casual vacancy or as an addition to the existing Directors holds office only until the next Annual General Meeting. The Director is then eligible for re-election at that Annual General Meeting.

Details regarding each of the Directors seeking re-election under rules 13.2 and 13.5 are set out below.

2.1 Resolution 1 – Re-election of Mr Gregory Jones

In accordance with rule 13.2, Mr Gregory Jones retires and, being eligible, offers himself for re-election.

Mr Jones was appointed as an independent Non-executive Director on 22 August 2014.

Mr Jones is a geologist with 36 years’ exploration and operational experience gained in a broad range of metalliferous commodities both within Australia and overseas. Mr Jones has held senior positions in a number of resource companies including Western Mining Corporation and Sino Gold Limited. His experience spans a wide spectrum of activities from grass-roots exploration through to resource definition and new project generation, project assessment and acquisition, as well as mine geology, ore resource/reserve generation and new mine development. Mr Jones is currently an Executive Director of Variscan Mines Limited. He is also a non-executive director of Eastern Iron Limited, Silver City Minerals Limited and Thomson Resources Ltd.
Mr Jones is Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee and the Material Investment Committee.

Recommendation
The Directors (other than Mr Jones) unanimously recommend that Shareholders vote in favour of Resolution 1.

2.2 Resolution 2 – Re-election of Mr Ivo Polovineo

In accordance with rule 13.2, Mr Ivo Polovineo retires and, being eligible, offers himself for re-election.

Mr Polovineo was appointed as an independent Non-executive Director on 13 March 2017.

Mr Polovineo has over 40 years’ experience in corporate accounting, finance and company secretarial work for a diverse range of companies. He spent the past 30 years in senior management roles in the resources sector including seven years as Company Secretary (and five years as CFO) of Sino Gold Mining Limited (a former ASX 100 company) until December 2009 and played an instrumental role in that company’s dual listing on the Hong Kong Stock Exchange in 2007. Mr Polovineo was with Sino Gold for 12 years forming part of the executive team that built the company from a market capitalisation of A$100m in 2002 to its acquisition by Eldorado Gold Corporation in December 2009 for approximately $2.4 billion.

Mr Polovineo is currently Company Secretary of Variscan Mines Limited, Lynas Corporation Ltd, Thomson Resources Ltd and Silver City Minerals Ltd.

Mr Polovineo is Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee and the Material Investment Committee.

Recommendation
The Directors (other than Mr Polovineo) unanimously recommend that Shareholders vote in favour of Resolution 2.

3. Resolution 3 – Approval of Termination Payment to Mr Graeme Kininmonth

3.1 Background

As announced on 20 April 2017, the Company has ceased to be listed on the Australian Securities Exchange (ASX). As a consequence, the Board has decided to make certain changes to the management structure of the Company in an effort to bring the Company more into line with its current and proposed scale of operations and to reduce overall costs.

These changes include the Board deciding that there will no longer be a need for Mr Kininmonth to continue in his role as Acting CEO of the Company beyond 1 July 2017. Given the current scale of the Company’s operations, work duties currently undertaken by the Acting CEO will instead be undertaken by the Board, the Company Secretary and external consultants and contractors (as and when required) after 1 July 2017. The Company also does not require Mr Kininmonth to take on his previous role as Manager – Health & Safety and Environment.

Mr Kininmonth has held the position of the Company’s Acting CEO since April 2014, and has worked with the Company in other roles for over 10 years.

In recognition of his excellent service and dedication to the Company during this period and the circumstances in which his employment is ceasing, the Board is proposing that Mr Kininmonth be paid the Termination Payment, which would be amount paid in addition to any other benefits he receives under his employment contract on ceasing employment with the Company. Further details about the Termination Payment and those other benefits are set out below.

Resolution 3 is seeking shareholder approval to allow the Company to pay the Termination Payment to Mr Kininmonth, upon him ceasing employment on 1 July 2017.

3.2 What is the Termination Payment?

Under his employment contract with the Company and entitlements under general employment laws, Mr Kininmonth is entitled to the following benefits as a result of his employment with the Company ceasing on 1 July 2017:
any accrued annual and long service leave, which on 1 July 2017 will, assuming no further leave is taken, amount to the equivalent of 27 weeks of salary, in accordance with the current employment contract;

- a redundancy payment equivalent to 41 weeks of his salary in accordance with the current employment contract which requires payment of 4 weeks of salary for every year of service (in Mr Kininmonth's case service is over 10 years); and

- other standard entitlements including payment of any outstanding superannuation.

In addition to those benefits required to be paid to Mr Kininmonth, the Board is proposing that Mr Kininmonth be paid the Termination Payment, being an amount of $83,375 and which is equivalent to 3 months of Mr Kininmonth's salary.

If shareholders pass Resolution 3, Mr Kininmonth will be paid the Termination Payment in addition to receiving those other benefits mentioned above.

### 3.3 Why is the Board proposing that Mr Kininmonth be paid the Termination Payment?

In determining entitlements to termination benefits within the Company’s remuneration strategy and framework for its KMP, the Board is conscious of the need to strike an appropriate balance between ensuring its KMP are treated fairly on their employment ceasing and avoiding making termination payouts which exceed what is reasonable in the circumstances. In doing so, the Board will have regard to the particular circumstances in which the employment is ceasing and that person's contribution to the Company.

As mentioned above, the Board has decided that it is in the best interests of the Company to make a number of changes to put the Company into the best position to take advantage of opportunities in the future. These changes have resulted in the Company notifying Mr Kininmonth that his employment will be ceasing on 1 July 2017.

The Board wishes to emphasise that the decision to terminate Mr Kininmonth’s employment is in no way a reflection of his performance as Acting CEO or in previous roles. Mr Kininmonth’s loyalty, dedication and service to the Company has been excellent and the Board is very thankful for his efforts, particularly over the past 3 years.

In recognition of Mr Kininmonth’s significant contribution to the Company, the circumstances in which Mr Kininmonth’s employment is ceasing and his other entitlements on ceasing employment, the Board are proposing Mr Kininmonth be paid the Termination Payment.

### 3.4 Why is shareholder approval required?

Part 2D.2 of the Corporations Act restricts the benefits that can be given without shareholder approval to individuals who hold a managerial or executive office (as defined in the Corporations Act) on ceasing employment with the Company or any of its related bodies corporate.

Under section 200B of the Corporations Act, the Company may only give a person a benefit in connection with that person ceasing to hold a managerial or executive office in the Company or any of its related bodies corporate if it is approved by shareholders or an exemption applies.

Aside from the Termination Payment, all other benefits to which Mr Kininmonth will become entitled on his employment with the Company ceasing fall within relevant exemptions in Part 2D.2 of the Corporations Act. However, the Termination Payment does not fall within any of those exemptions. Accordingly, Resolution 3 is seeking shareholder approval to allow the Company to pay the Termination Payment to Mr Kininmonth.

### 3.5 Recommendation

For the reasons given above, the Directors unanimously recommend that shareholders vote in favour of Resolution 3 allowing the Company to pay the Termination Payment to Mr Kininmonth in accordance with the terms outlined above.

### 3.6 Voting prohibition

A voting exclusion applies to this Resolution and is set out in the Notice of Meeting under Resolution 3.
The meaning of the terms used in the Notice of Meeting and this Explanatory Memorandum are set out below:

**Annual General Meeting or Meeting** means the annual general meeting of the Company.

**Associate** has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

**EST** means Australian Eastern Standard Time.

**Auditor** means Deloitte Touche Tohmatsu.

**Board** means the board of Directors from time to time.

**Closely related party** of a member of the KMP means:

(a) a spouse or child of the member;

(b) a child of the member’s spouse;

(c) a dependent of the member or the member’s spouse;

(d) anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company or Moly** means Moly Mines Limited (ACN 103 295 521).

**Constitution** means the constitution of the Company, as amended from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting.

**KMP** means key management personnel and has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Notice of Meeting or Notice** means the notice of Meeting accompanying this Explanatory Memorandum.

**Resolution** means a resolution set out in the Notice of Meeting.

**Shareholder** means a registered holder of Shares.

**Share** means a fully paid ordinary share in the capital of the Company.

**Termination Payment** means an amount of $83,375, equivalent to 3 months of Mr Graeme Kininmonth’s current salary.