



MOLY MINES LIMITED

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20 April 2017

LETTER TO SHAREHOLDERS

Dear Shareholders,

Moly Mines Ltd (ASX:MOL) ("Moly" or "the Company") is now nearing the deadline for its shares to be officially delisted from the Australian Securities Exchange (ASX).

In this letter I will explain some of the mechanics around the delisting process and what it will mean for you as a shareholder going forward.

The delisting has come about following Moly's suspension from official quotation on 22 April 2014 for failing to demonstrate compliance with Chapter 12 of the ASX Listing Rules. Specifically, Moly was unable to satisfy ASX that the Company has a sufficient level of operations to justify continued quotation of the Company's securities on the ASX following completion of the mine gate sale agreement with Mineral Resources Limited for iron ore produced at Moly's Spinifex Ridge Iron Ore Mine.

Since the Company's suspension from the ASX, the Company has reviewed a range of M&A opportunities both within Australia and overseas, most recently the proposed Gulf Alumina acquisition which shareholders have been made aware was not progressed.

Delisting will mean that Moly's shares will be removed from the Official List of the ASX with its last day of Listing on the ASX being 21 April 2017. However, Moly will continue to operate as an unlisted public company in full accordance with the Australian Corporations Act 2001 (Cth) and comply with regulatory requirements. 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 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.

Since suspension from the ASX, shareholders have only been able to transfer shares through an off-market transfer. This method of transfer will continue post suspension. You will need to locate a willing buyer and transfer the stock via a Standard Transfer Form which is then sent to the Company's share registry Computershare Investor Services. The Transfer form can be downloaded from Computershare's

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Investor Centre website at www.investorcentre.com/au under the 'Printable Forms' link. Details on how to complete the Transfer Form and where to send it are found on the Form. The Standard Transfer Form is also available on the Company's website.

Following delisting, 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. A Share Certificate will be mailed by Computershare to your registered address. You are not required to do or pay anything to facilitate this. If you need to update your registered address, we recommend you promptly do this either via your stock broker or Computershare's Investor Centre website at www.investorcentre.com/au. Computershare's Change of Address Form is also available on the Company's website. For any further information regarding your shareholding in Moly, you can contact the share register Computershare on 1300 555 159 (within Australia) or +61 3 9415 4062 (Overseas), Monday to Friday 8am to 7pm AEST.

Given the recent developments, the Board will look to significantly reduce administration costs and overheads post the delisting. The Company will keep you updated on its cost saving measures being undertaken via announcements on the Company's website.

Moly remains in a very strong position with our cash balance maintained at around \$60 million. We will continue 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 genuinely appreciate your support and patience and I look forward to keeping you updated on our progress.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Nelson Chen', is written over a light blue circular stamp.

Nelson Chen
Chairman

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