

20 August 2010

ASX Limited  
Exchange Plaza  
2 The Esplanade  
Perth, WA 6000

### **SPINIFEX RIDGE IRON ORE MINING CONTRACT - AWARDED**

Moly Mines Limited (ASX/TSX: MOL) ("**Moly Mines**") is pleased to confirm the award of another significant operations contract for the Spinifex Ridge Iron Ore Project.

**BGC Contracting Pty Ltd** ("**BGC**") has been awarded the iron ore mining contract for Spinifex Ridge at the production rate of 1 million tonne per annum of direct-ship product. They won the contract following a thorough 8 week competitive tender process against 7 other conforming bids.

BGC plans to mobilise to site mid September 2010, with a mining fleet which includes Komatsu 785 dump trucks and a PC 2000 excavator, and commence ore mining in October. The mining contract is currently planned as a dayshift only operation and has the capacity to significantly increase production.

They are experienced mining contractors and are currently providing mining services to Cliffs Resources' Koolyanobbing and Koolan Island iron ore mines and Atlas Irons' Wodgina iron ore mine, some 100km west of Spinifex Ridge.

Moly Mines looks forward to enjoying a long and successful partnership with BGC.

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*