

**MOLY MINES LIMITED**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

Effective Date: 23 March 2010

**1. INTRODUCTION**

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This Code of Business Conduct and Ethics is applicable to all directors, officers, employees, consultants and contractors of Moly Mines Limited (the “**Company**”). We require the highest standards of professional and ethical conduct from our employees, directors and officers. The reputation of the Company for honest and integrity among its stakeholders is key to the success of its business. No director, officer or employee shall be permitted to achieve results through violations of law or regulation, or through unscrupulous dealings. All directors, officers and employees of the Company must respect and comply with the letter and spirit of all of the laws, rules and regulations applicable to the Company and of any jurisdiction in which the Company does business. Individuals who fail to comply with such laws, rules and regulations will be subject to disciplinary measures, up to and including discharge from the Company.

This Code reflects our commitment to a culture of integrity, accountability and transparency and outlines the basic principles and policies with which all directors, officers and employees are expected to comply.

Compliance with this Code is expected of every director, officer and employee and any violations will be dealt with appropriately. In addition to following this Code in all aspects of our business activities, you are expected to seek guidance in any case where there is a question about compliance with the letter and spirit of our policies or applicable laws or regulations. This Code sets forth general principles and does not supersede, but should instead be read with, the specific policies and procedures that are covered in the Company’s separate specific charters or policy statements.

While the Code of Conduct is designed to ensure the Company delivers on its commitment to corporate responsibility and sustainable business practice, it does not create any rights in any employee, client, customer, supplier, competitor, security holder or any other person or entity.

**2. CONFLICTS OF INTEREST**

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All directors, officers and employees of the Company must be scrupulous in avoiding a conflict of interest with regard to the Company’s interests. A conflict of interest exists when an individual’s private interests interfere or conflict with or appear to interfere or conflict with the interests of the Company. A conflict of interest may arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her professional obligations objectively and effectively or when he or she otherwise takes action that is inconsistent with the interests of the Company for his or her direct or indirect benefit or for the direct or indirect benefit of a third party. A conflict of interest may also arise when an employee, officer or director, or a member of his or her family, receives improper personal

benefits as a result of his or her position in the Company, whether received from the Company or a third party. It is also inappropriate to use the Company's name or purchasing power to obtain personal discounts or rebates, unless the discounts or rebates are made available to all employees.

By way of example, a conflict of interest may arise if any director, officer or employee:

- (a) has a material personal interest in a transaction or agreement involving the Company;
- (b) lends to, borrows from, or has a material interest in a competitor, supplier or customer of the Company, or any entity or organization with which the Company does business or seeks or expects to do business (other than routine investments in publicly traded companies or borrowing from financial institutions);
- (c) knowingly competes with the Company or diverts a business opportunity from the Company;
- (d) serves as an officer, director, employee, consultant or in any management capacity in an entity or organization with which the Company does business or seeks or expects to do business (other than routine business involving immaterial amounts, in which the director, officer or employee has no decision-making or other role);
- (e) knowingly acquires, or seeks to acquire an interest in property (such as real estate, patent rights, securities, or other properties) where the Company has, or might have, an interest;
- (f) has a material interest in an entity or organization with which the Company does business or seeks or expects to do business; or
- (g) participates in a venture in which the Company has expressed an interest.

Conflicts of interest are prohibited as a matter of policy, except as specifically approved by the board of directors ("the **Board**") of the Company and except in accordance with applicable laws and regulations. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with the Chief Executive Officer (the "**CEO**"). An employee, officer or director who becomes aware of a conflict or a potential conflict must bring it to the attention of a supervisor or manager who must thereupon bring it to the attention of the Chairman of the Board.

### **3. CORPORATE OPPORTUNITIES**

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Directors, officers and employees are prohibited from:

- (a) taking for themselves personally opportunities that properly belong to the Company or are discovered through the use of the Company property, information or position; and
- (b) using the Company's property, information or position for personal gain.

#### 4. ACCURACY OF RECORDS AND REPORTING

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The Company is listed on the Australian Stock Exchange and the Toronto Stock Exchange and is subject to certain disclosure and reporting obligations under Australian and Canadian securities laws. The Company must achieve full, fair, accurate, timely and understandable disclosure in reports or other documents that it files with or submits to securities regulators and in its other public communications and to assist it in complying with its obligations under applicable securities law and regulations and to meet the expectation of its stakeholders.

The Company's accounting records are relied upon to produce reports for the Company's management, shareholders, creditors, government agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and confirm with all legal and accounting requirements and our system of internal controls.

The CEO and the Chief Financial Officer (the "CFO") of the Company, with the assistance of appropriate Committees of the Board, are responsible for establishing and managing the Company's financial reporting systems to ensure that:

- (a) all business transactions are properly authorised;
- (b) all records fairly and accurately reflect the transactions or occurrences to which they relate;
- (c) all records fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses; and
- (d) no information is concealed from the independent auditors, the Audit and Risk Management Committee of the Board or the Board.

All employees have a responsibility to ensure that:

- (a) the Company's accounting records do not contain any false or intentionally misleading entries;
- (b) no transactions are intentionally misclassified as to accounts, department or accounting periods; and
- (c) all transactions are supported by accurate documentation in reasonable detail and recorded in proper account and in the proper accounting period.

Each employee, officer and director and any person acting under the direction thereof is prohibited from taking any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in performance of an audit of the financial statements of the Company for the purpose of rendering such financial misleading.

Each employee, officer and director is to exercise the highest standard of care in preparing reports, documents and other public communications, or in ensuring that such reports,

documents and other public communications are prepared, in accordance with the guidelines set forth below.

- (d) Compliance with International Financial Reporting Standards (“IFRS”) is required at all times. However, technical compliance with IFRS may not be sufficient and, to the extent that technical compliance with IFRS would render financial information that the Company reports misleading, additional disclosure will be required.
- (e) Compliance with the Company’s system of internal accounting controls is required at all times, and no actions designed to circumvent such controls and procedures will be tolerated.
- (f) Compliance with the Company’s disclosure controls and procedures (including the Company’s Disclosure Policy) is required at all times, and no action designed to circumvent such controls and procedures will be tolerated.

## **5. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

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The CEO, CFO and Company Secretary are expected to ensure compliance with the letter and spirit of all applicable laws and government rules and regulations. The CEO, CFO and Company Secretary are responsible for establishing and maintaining procedures to:

- (a) educate employees about applicable laws and government rules and regulations;
- (b) monitor compliance of directors, officers and employees with applicable law and government rules and regulations; and
- (c) identify any possible violations of applicable laws and government rules and regulations to the Audit and Risk Management Committee and correct in a timely and effective manner any violations of applicable laws or governmental rules and regulations.

The Company’s policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. If any employee, officer or director of the Company has concerns or complaints regarding questionable accounting and auditing matters of the Company or identifies a possible violation of applicable law or regulation, then he or she is required to report such possible violation (anonymously, confidentially or otherwise) to the Audit and Risk Management Committee which will (subject to its duties arising under applicable law, regulation and legal proceedings) treat such submissions confidentially. Such submissions may be directed to the attention of the Audit and Risk Management Committee or any director who is a member of the Audit Risk Management Committee at the principal executive offices of the Company.

It is the Company’s policy to fully cooperate with any appropriate governmental or regulatory investigation. A condition of such cooperation, however, is that the Company be adequately represented in such investigations by its own legal counsel. Accordingly, any time an employee, officer or director receives information about a new government investigation or

inquiry, this information should be communicated immediately to the CFO. Some government dealings (for example, tax audits, audits or investigations from a Ministry) can be handled by the employee responsible for such matters. However, if an employee, officer or director believes that a routine audit may evolve into a more formal government investigation, the CFO should be contacted.

Directors, officers and employees should never, under any circumstances:

- (a) destroy or alter any documents or records in anticipation of a request for those documents from any government or regulatory agency or a court;
- (b) lie or make any misleading statements to any governmental or regulatory investigator (including routine as well as non-routine investigations); or
- (c) attempt to cause any employee, or any other person, to fail to provide information to any government or regulatory investigator or to provide any false or misleading information.

Should any governmental or regulatory inquiry be made through the issuance of a written request for information, such request should immediately, and before any action is taken or promised, be submitted to the CFO. Oral inquiries and requests for documents or information should also be directed to the CFO or his/her delegate.

## **6. GOVERNMENT RELATIONS**

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The Company's dealings with public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official or the Company. The Company will make no illegal payments of any kind, directly or indirectly, from corporate funds or assets. Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation, whether directly or indirectly, in any bribes, kickbacks, indirect contributions or similar payments is expressly forbidden, whether or not they might further the business interests of the Company. These restrictions apply to the Company's operations around the world, even where such practices may be considered to be acceptable business practice or otherwise necessary in a particular country.

Australia and Canada are signatories to the OECD Convention Combating Bribery of Foreign Public Official in International Business Transactions and have enacted legislation prohibiting the offering or anything of value to foreign public officials. It is an offence under the anti-bribery provisions of the *Corruption of Foreign Public Officials Act (Canada)*, to make or offer a payment, gift or benefit, whether directly or indirectly through a third party acting on the Company's behalf, to a foreign public official in order to induce favourable business treatment, such as obtaining or retaining business or some other advantage in the course of business. Similarly, it is prohibited under Australian law to offer a bribe to a government official. The term "public official" is very broad and includes low-ranking employees of a government or a government-controlled entity, political parties and candidates for political office. There are, however, various exceptions and defences regarding what permitted payments, gifts or

benefits may be made directly or indirectly through a third party acting on the Company's behalf.

Understanding the difference between a permitted payment and an illegal bribe is important and may require careful analysis. Accordingly, if there is any question about the legitimacy of a payment to be made either directly or indirectly through third parties to officials or employees of governments, or their agencies or instrumentalities (including government monopolies), the matter should be referred to the CFO. Moreover, all approved arrangements must be documented in accordance with the Company's legal and accounting requirements and business practices.

Personal political activity must be separated from the Company's political activities, if any, in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. The Company will not reimburse employees for money or personal time contributed to political campaigns. In addition, employees may not work on behalf of a candidate's campaign while at work or at any time use the Company's facilities for that purpose unless approved by the CFO.

## **7. SAFETY AND HEALTH**

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Directors, officers and employees are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Company is committed to keeping its workplaces free of hazards. Please report any incidents, injuries or unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

## **8. COMPLIANCE WITH ENVIRONMENTAL LAWS**

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The Company is committed to protecting the earth's vital resources, promoting sustainable economic development and sound environmental management. The Company requires all directors, officers and employees to comply with all environmental laws and regulations applicable to their activities in the workplace. The Company is committed to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment. Environmental compliance is everyone's responsibility. Each director, officer and employee is responsible for understanding the environmental consequences of his or her job and performing it in an environmentally safe manner. If a director, officer or employee becomes aware of any actual or potential adverse environmental impact caused by the Company's operations, he or she should promptly advise his or her supervisor, or in the case of a director or officer, the Chairman of Board, so that necessary corrective action can be taken.

## **9. COMPLIANCE WITH COMPETITION LEGISLATION**

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Every employee, officer and director must comply with applicable competition legislation, the purpose of which is to maintain and encourage competition and prohibit certain behaviour (e.g. agreements with competitors to allocate markets or customers, price fixing or agreements to boycott certain suppliers or customers, bid-rigging, exclusive dealing, etc.).

Directors, officers and employees should avoid contact with a competitor relating to the business of the Company or the competitor until approval is obtained from the CEO.

## **10. DISCRIMINATION AND HARASSMENT**

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The Company values the diversity of its employees and is committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Directors, officers and employees are encouraged to speak out when a co-workers or colleague's conduct makes them uncomfortable and to report harassment to management.

## **11. CONFIDENTIALITY**

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Directors, officers and employees must maintain the confidentiality information entrusted to them by the Company or its suppliers or customers, except when disclosure is authorised or required by applicable law, regulation or legal proceedings. Whenever feasible, an employee, officer or director should consult the CEO if he or she believes that he or she has a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. Employment contracts and the Company's Disclosure Policy detail your responsibilities and obligations with respect to Company's confidential information.

## **12. PROTECTION AND PROPER USE OF COMPANY ASSETS**

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All directors, officers and employee should endeavour to protect the Company's assets and ensure their efficient use. No employee, officer or director may use the Company's property for personal use or benefit or for the personal benefit of a third party without express authorisation from the CEO. Theft, carelessness and waste have a direct impact on the Company's performance. Any suspected incidents of fraud or theft should be immediately reported to the CEO for investigation.

Company assets such as funds, products or computers may only be used for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect the Company's assets includes proprietary information. Proprietary information includes any information that is not generally known to the public and would be helpful to the Company's competitors. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after the employee, officer or director leaves the Company.

### **13. INSIDER TRADING**

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Insider trading is illegal. Directors, officers and employees are not allowed to trade in the securities of the Company while in possession of material non-public information regarding the Company. It is also illegal to “tip” or pass on insider information to any other person who might make an investment decision based on that information or pass the information on further. The Company has established a Share Trading Policy and Dealing Rules for Insiders, which sets forth your obligations in respect of trading in Company securities.

### **14. FAIR DEALING**

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Each employee, officer and director should endeavour to deal fairly with the Company’s customers, suppliers, competitors, securityholders, employees, competitors, joint venture partners, creditors, financiers, the financial markets, governments and the general public. No one should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

All statements, communications and representation made to customers, suppliers, partners, competitors, governments, the general public and others should be accurate and truthful and must not be misleading.

In awarding contracts, the Company and its employees will objectively consider factors such as the need for the services, total cost, quality and reliability. The Company will select its suppliers and contractors in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. Selection of suppliers and contractors must never be based on personal interests or the interests of family members or friends. Where applicable, the employee should also perform a cost benefit analysis.

Employees should inform their managers (who should report the issue to the CFO) and officers and directors should inform the CFO and the Chairman of the Board of any supplier and contractor relationships that create a conflict of interest (or possible conflict of interest). It is the Company’s policy to treat all competing customers on a fair and equal basis.

The Company will only deal with suppliers and contractors who comply with applicable legal requirements and any of the Company’s standards relating to labour, environment, health and safety, intellectual property rights, improper payments or inducements to public or government officials and prohibitions against child or forced labour.

Use of the Company’s name or intellectual property by a supplier or contractor requires approval in writing by the Chief Financial Officer or his/her respective delegate. The Company shall not use the name or intellectual property of a supplier without the supplier’s consent in writing.

## **15. USE OF COMMUNICATION DEVICES INCLUDING E-MAIL AND INTERNET SERVICES**

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The Company's phone system, faxes, e-mail and internet are to be used for business purposes only. Personal use is permitted, but never for any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person or any other message that could be viewed as harassment.

Your messages (including voicemail) and computer information are considered property of the Company and you should not have any expectation of privacy. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

## **16. GIFTS AND ENTERTAINMENT**

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Directors, officers and employees must not pay or receive any bribes, facilitation payments, inducements or commissions (including any item intended to improperly obtain favorable treatment or avoid unfavorable circumstances).

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. These courtesies can play an important role in business relationships. However, a problem may arise when such courtesies compromise, or appear to compromise, our ability to make objective decisions and fair business decisions. The same rules apply to directors, officers and employees offering gifts and entertainment to our business associates.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons.

The value of gifts should be nominal, both with respect to frequency and amount. Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Any gift valued in excess of \$300.00 or any gift that is repeated more than twice from one source should not be accepted without approval of a supervisor or manager. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals. If, for example, tickets to a sporting or cultural event are offered, then the person offering the tickets should plan to attend the event as well. Use good judgment. If you are having difficulty determining whether a specific gift or entertainment lies within the bounds of acceptable business practice, ask yourself these guiding questions:

- (a) Is it legal?
- (b) Is it clearly business related?
- (c) Is it moderate, reasonable and in good taste?

- (d) Would public disclosure embarrass the Company?
- (e) Is there any pressure to reciprocate or grant special favours?

## **17. PRIVACY**

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The Company believes in taking steps to protect the privacy of its directors, officers, employees, contractors, agents and other representatives. The Company will not interfere in the personal lives of such individuals unless and only to the extent their conduct impairs their work performance or adversely affects the work environment or reputation of the Company. Directors, officers and employees should familiarise themselves with, and comply with, the privacy laws of Australia and Canada.

The Company limits the collection of personal information to that which is necessary for business, legal, security or contractual purposes and collection of personal information is to be conducted by fair and lawful means with the knowledge and consent of the individual from whom the information is being collected. Access to employee personnel and medical records and the information contained therein shall be limited to those with a need to know for a legitimate business purpose. All employees have the right to see their own personnel record. Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the knowledge and consent of the individual or as required by law. Personal information shall be retained only as long as necessary for the fulfilment of those purposes and shall be kept sufficiently accurate, complete and up-to-date to minimize the possibility that inappropriate information may be used or disclosed. The Company and its employees will observe obligations of confidentiality and non-disclosure of personal information, including information of its employees and customers, with the same degree of diligence that employees are expected to use in protecting confidential information of the Company. The Company is responsible for all personal information in its possession or custody, including information that has been transferred to a third party for processing, and all employees shall adhere to the Company's policies and procedures in place to protect personal information against loss or theft, as well as unauthorized access, disclosure, copying, use or modification. The Company and all employees shall also comply with all applicable laws regulating the disclosure of personal information.

## **18. COMPLIANCE PROCEDURES**

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It is the responsibility of all directors, officers and employees to understand and comply with this Code and all directors, officers and employees are required to sign the applicable acknowledgement substantially in the form set out in Schedule "A" of this Code.

Directors, officers and employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. An employee, officer or director who is concerned that violations of this Code or other illegal or unethical conduct by an employee, officer or director of the Company have occurred or may occur should in a timely manner contact his or her supervisor or manager of the CEO.

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances we encourage you to use common sense and to contact your supervisor or manager for guidance.

If you do not feel comfortable discussing the matter with your supervisor or manager, please contact the CEO. Any complaints or concerns you may have related to accounting, internal controls or auditing matters will be passed on to the Audit and Risk Management Committee to be dealt with and a record of your concern or complaint will be retained for five years. The Audit and Risk Management Committee is comprised of directors who are independent from the Company. We strive to ensure all questions or concerns are handled fairly, discreetly and thoroughly.

You need not identify yourself. If you wish to report a matter, you may provide a detailed report to **PO Box 8215 Subiaco East Western Australia 6008**. Wherever possible, your calls, notes, emails and other communications will be dealt with confidentially. You have the Company's commitment that, whenever possible, your privacy will be protected where you make a report under this Code. It is a breach of this Code and prohibited for any director, officer or employee to take any retaliatory action, including discrimination, against an individual who, in good faith, reports a possible violation. The Company will take such steps as are appropriate in the circumstances to ensure such an employee is properly protected.

It is unacceptable to file a report knowing it to be false.

Violation of this Code may result in disciplinary actions up to and including discharge from the Company.

**SCHEDULE A**  
**CERTIFICATION – CODE OF CONDUCT AND BUSINESS ETHICS**

The undersigned hereby certifies that he/she has read and understands the Company's Code of Business Conduct and Ethics (the "**Code of Conduct**"), a copy of which is attached hereto, and agrees to comply with the obligations, procedures and policies set forth therein. The undersigned acknowledges that the Code of Conduct may be amended from time to time, and the undersigned agrees to review and abide by the Code of Conduct, as amended. The undersigned acknowledges that the up-to-date Code of Conduct will be available, for reference, on the Company's website.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)