

MOLY MINES LIMITED
SECURITIES TRADING POLICY & DEALING RULES FOR INSIDERS

Effective Date: 16 April 2010

1. INTRODUCTION

The ordinary shares of Moly Mines Limited (the “**Company**”) are listed on the Australian Stock Exchange (the “**ASX**”) and the Toronto Stock Exchange (the “**TSX**”). This Policy has been written in an effort to prevent the insider trading in the Company’s securities by Insiders (as defined in this Policy). It is the responsibility of each Insider to comply with the terms of this Policy, the Company’s Code of Business Conduct and Ethics and any applicable laws regarding insider trading.

This Policy sets out:

- (a) when trading in Company Securities (as defined in this Policy) by Insiders is permitted;
- (b) when trading by Insiders is permitted in financial products issued or created over the Company Securities by third parties or products which operate to limit the economic risk of their security holdings in the Company; and
- (c) procedures to reduce the risk of insider trading.

2. DEFINITIONS

In this Policy the following definitions apply unless the context otherwise requires:

“**Company Securities**” means any unlisted or listed Securities of the Company, including Securities of the Company that have been listed or admitted for trading on, or have their prices quoted on or under the rules of, any regulated market.

“**Inside Information**” means:

- (a) a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the Company Securities (which includes any decision to implement such a change by the Board of Directors or by senior management who believe that confirmation of the decision by the Board of Directors is probable) which has not been generally disclosed; or
- (b) a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Company Securities which has not been generally disclosed; or
- (c) any information which is not generally available to the public that a reasonable person would expect to have a material effect on the price or value of the Company

Securities (i.e. information not generally available which would or would be likely to influence an investor's decision to buy, hold or sell Company Securities); or

- (d) unpublished price sensitive information, which means information required to be disclosed to the ASX under Listing Rule 3.1 and is defined as any unpublished information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company Securities if it were made public.

Examples of information that may constitute Inside Information are set out in Schedule "A" attached hereto. **It is the responsibility of any person contemplating a trade in Company Securities to determine prior to such trade whether he or she is aware of any information that constitutes Inside Information. If in doubt, the individual should consult with an Insider Trading Policy Administrator.** In addition, this Policy requires that certain Insiders pre-clear trades in Company Securities.

"Insider" means:

- (a) all directors, Officers and employees of the Company or its subsidiaries;
- (b) any person that possesses or is deemed to possess Inside Information under the *Corporations Act 2001* (Australia) (the **"Corporations Act"**);
- (c) any other person retained by or engaged in the business of professional activity on behalf of the Company or any of its subsidiaries (such as a consultant, independent contractor or adviser);
- (d) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in (a), (b) or (c) above;
- (e) any "Related Party" or "Associate" as defined in the Corporations Act, which essentially covers parties who are associated with directors or senior employees, including spouses and *de factos* who are likely to be influenced by directors or senior employees in their investment decision-making; and
- (f) partnerships, trusts, corporations, registered retirement savings plans and similar entities over which any of the above-mentioned individuals exercise control or direction.

"Insider Trading Policy Administrator" means an individual designated by the Board of Directors from time to time to administer this Policy and in the absence of a specific appointment shall be the Company Secretary.

"Officer" has the meaning given in section 9 of the Corporations Act 2001.

"Securities" include equity shares, debentures, options, any other instrument issued or granted by a company (or a company controlled or managed company), any other "Division 3 financial product" (as that term is defined in the Corporations Act) and any derivatives or other financial products issued by third parties in relation to such securities.

“**trade**” shall be construed with reference to the definition of “trading”.

“**trading**” includes:

- (a) the sale or purchase of, or application or agreement to sell or purchase, any Company Securities and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put, or both) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of Company Securities, or any interests in Company Securities; and
- (b) any derivatives-based or other transaction or arrangement that would be required to be reported by Insiders in accordance with applicable laws or regulations relating to derivatives or equity monetisation transactions.

3. TRADING IN COMPANY SECURITIES

Insiders shall not trade in Company Securities nor place themselves under suspicion of trading in Company Securities while in possession of Inside Information until:

- (a) two days after the disclosure to the public of the Inside Information, whether by way of press release, disclosure to the ASX or a filing made with securities regulatory authorities; or
- (b) the Inside Information ceases to be material (e.g. a potential transaction that was the subject of the Inside Information is abandoned, and either the Insider has been so advised by an Insider Trading Policy Administrator or such abandonment has been generally disclosed).

All Insiders should ensure that all transactions in Company Securities comply with:

- (a) the Corporations Act and its related regulations (particularly the insider trading provisions in section 1042A -1043O);
- (b) the ASX Listing Rules (particularly the continuous disclosure requirements in Rule 3.1);
- (c) the *Securities Act* (Ontario) and its related regulations (particularly the insider trading provisions in Part XXI);
- (d) the instruments and policies promulgated by Canadian securities regulators (including but not limited to Canadian National Instrument 55-102 – *System for Electronic Disclosure by Insiders* and Canadian National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*);
- (e) the TSX listing rules (particularly Part IV of the TSX Company Manual); and
- (f) any similar legislation in other jurisdictions in which the Company offers Company Securities or conducts transactions.

4. PROHIBITED CONDUCT

Insiders:

- (a) must not engage in short term trading of any Company Securities, which includes buying Company Securities with the intention of quickly reselling such Company Securities or selling Company Securities with the intent of quickly buying such Company Securities, each within a 3 month period, other than in connection with the acquisition and sales of Company Securities issued under the Company's Employee Incentive Option Scheme or any other Company benefit plan or arrangement);
- (b) must not trade in any Company Securities while in possession of Inside Information;
- (c) must not advise, procure or encourage another person to trade in any Company Securities while in possession of Inside Information; and
- (d) must not directly or indirectly communicate Inside Information or cause Inside Information to be communicated to another party where the Insider knows or ought reasonably know that the person would or would likely trade in the Company Securities while in possession of Inside Information.

5. RESTRICTIONS ON TRADING BY INSIDERS

When Insiders trade in Company Securities there is the potential for adverse financial consequences for the Company if the Company's financial position and operating results differ from the financial community's expectation or the reasons for trading are not adequately disclosed to the market.

Insiders who are Officers and / or directors must obtain approval prior to trading in Company Securities, such approval not to be unreasonably withheld or delayed, as follows:

- (a) in the case of an Officer or their associates who is not a director (not including the Company Secretary or CEO), the CEO or the Company Secretary;
- (b) in the case of the Company Secretary or his/her associates, the CEO;
- (c) in the case of the CEO or his/her associates, the Chairman or, in his/her absence, the Chairman of the Remuneration Committee;
- (d) in the case of a director or his/her associates, other than the Chairman, the Chairman; or
- (e) in the case of the Chairman or his/her associates, the Chairman of the Remuneration Committee.

Insiders must not trade in the Company Securities during a "blackout period" unless the approval practices below are followed. A "blackout period" means:

the period between the end of a statutory reporting period and two days after the announcement of the Company's annual results, half yearly results and quarterly report respectively;

any period when there exists any matter which constitutes Inside Information in relation to the Company Securities (whether or not the Insider has knowledge of such a matter) and the proposed trading would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter; or

any period when there is reason to believe that the proposed dealing is in breach of applicable law or Company policy and standards.

Blackout periods will be imposed by direction of the CEO or the Chairman and notice of the commencement and closure of blackout periods will be provided to Insiders by the Company Secretary by email.

A blackout period may be extended or shortened or another blackout period introduced at any time by direction of the CEO or the Chairman. Notice of such changes will be specified to Insiders by email. Changes to blackout periods are effective immediately. During a blackout period, Insiders must not trade in any Company Securities without first obtaining approval, such approval not to be unreasonably withheld or delayed, for the transaction from the following: (who in each case will consider whether the Insider is in possession of Inside Information):

- (f) in the case of an employee or their associates, other than an Officer, the Company Secretary;
- (g) in the case of an Officer or their associates who is not a director, (not including the Company Secretary or CEO), the CEO or the Company Secretary;
- (h) in the case of the Company Secretary or his/her associates, the CEO;
- (i) in the case of the CEO or his/her associates, the Chairman or, in his/her absence, the Chairman of the Remuneration Committee;
- (j) in the case of a director or his/her associates, other than the Chairman, the Chairman; or
- (k) in the case of the Chairman or his/her associates, the Chairman of the Remuneration Committee.

6. NOTIFICATION

Notification of any trade by an Insider after it has occurred must include the following information:

- (a) the name of the Insider;

- (b) the name of any person who dealt on the behalf of the Insider;
- (c) details of the Insider's interest in Company Securities the subject of the dealing;
- (d) the date of dealing;
- (e) the number of Company Securities subscribed for, brought or sold;
- (f) the amount paid or received for such Company Securities; and
- (g) the number of Company Securities held by the Insider (directly or indirectly) before and after the dealing.

The Company Secretary will maintain a written record of the receipt of any notice received from an Insider pursuant to this Policy and of any clearance given.

7. TRADING IN EXCEPTIONAL CIRCUMSTANCES

In exceptional circumstances where it is the only reasonable course of action available to an Insider, clearance may be given for the Insider to sell (but not to purchase) Company Securities when they would otherwise be prohibited from doing so **but not** while there exists any matter which constitutes Inside Information in relation to the Company Securities. Such clearance must be obtained from:

- (a) in the case of a director or his or her associate, the Chairman;
- (b) in the case of an Officer, consultant or his or her associate, the CEO or the Company Secretary; or
- (c) in the case of the Chairman, the Chairman of the Remuneration Committee.

An example of the type of circumstances which may be considered exceptional for these purposes would be a pressing financial commitment on the part of the Insider that cannot otherwise be satisfied. The determination of whether circumstances are exceptional for this purpose must be made by the person responsible for the clearance.

8. INSIDER REPORTING REQUIREMENTS

Australia

A Director of the Company is required to provide details of all changes to his or her interests in:

- (a) Company Securities registered in the name of the director or held on behalf of the director, directly or indirectly;
- (b) Company Securities not registered in the director's name in which the director has a relevant interest; and

- (c) contracts in which the director is a party or entitled to a benefit under and confer a right to call or deliver a share in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate.

The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame which allows for compliance with the ASX Listing Rules obligations.

Canada

Insiders are required to file reports with Canadian securities regulators, pursuant to the electronic filing system known as SEDI, of any change in direct or indirect beneficial ownership of, or control or direction over, Company Securities with five days. In addition, Insiders must also include in their reports any monetisation, non-recourse loan or similar arrangement, trade or transaction that changes the Insider's economic exposure to or interest in Company Securities and which may not necessarily involve a sale, whether or not required under applicable law.

General

It is the responsibility of each Insider (and not the Company) to comply with these reporting requirements, and Insiders are required to provide the Insider Trading Policy Administrators with a copy of any insider report completed by the Insider concurrent with or in advance of its filing. The Company will assist any Insider in the preparation and filing of insider reports upon request.

Some Officers of the Company or its subsidiaries may be eligible to be exempted by applicable securities law from the requirements to file insider reports.

A person that is uncertain as to whether he or she is an Insider or whether he or she may be eligible to be exempted from these requirements should contact an Insider Trading Policy Administrator. Insiders who are exempted from these reporting requirements remain subject to all of the other provisions of applicable securities law and this Policy.

9. DIRECTOR ACTING AS TRUSTEE, TRADING BY TRUSTS

Where an Insider is a sole trustee, the provisions of this Policy will apply as if he or she were trading on his or her own account. Where an Insider is a co-trustee, he or she must advise his or her co-trustees that he or she is an Insider of the Company. If the Insider is not a beneficiary, trading in Company Securities undertaken by that trust will not be regarded as a trade by the Insider for the purposes of this Policy, where the decision to trade is taken by other trustees acting independently of the Insider or by investment managers on behalf of the trustees. The other trustees or the investment managers will be assumed to have acted independently of the Insider for this purpose where they:

- (a) have taken the decision to trade without consultation with, or other involvement of, the Insider concerned; or

- (b) if they have delegated the decision making to a committee of which the Insider is not a member.

10. TRADING BY RELATED PARTIES

An Insider must (so far as is consistent with his or her duties of confidentiality to the Company) seek to prohibit any trading in Company Securities by a related party at a time when the Insider is in possession of Inside Information.

For the purposes of this Policy an Insider must advise all such related parties:

- (a) that he is an Insider of the Company;
- (b) of any periods when the Insider knows he or she is not free to trade in the Company Securities on his or her own behalf under the provisions of this Policy unless his or her duty of confidentiality to the Company prohibits him from disclosing such periods; and
- (c) that they must advise the Insider immediately after they have traded in Company Securities.

11. TRADING BY BROKERS AND FUNDS

An Insider must (so far as is consistent with his or her duties of confidentiality to the Company) seek to prohibit any trading in Company Securities by his or her broker at a time when the Insider is in possession of Inside Information.

An Insider may enter into a personal superannuation or equity investment plan or deal in units of an equity unit trust without regard to the provisions of this Policy. In the case of a personal superannuation or equity investment plan investing only in Company Securities the following applies:

- (a) the Insider does not enter into the plan or carry out the first purchase of Company Securities within the plan during a blackout period;
- (b) the Insider does not cancel or vary the terms of this participation, or carry out sales in Company Securities within the plan, during a blackout period; and
- (c) before entering into the plan or cancelling the plan or varying the terms of his or her participation or carrying out the sales of Company Securities within the plan, the Insider obtains the relevant clearance as set out in this Policy.

12. PERMITTED TRANSACTIONS

The grant of options by the Board under the Company's Employee Incentive Option Scheme or any other option scheme established by the Company and the grant of Company Securities by the Board under any employee securities acquisition scheme may be permitted during a blackout period if such grant could not reasonably be made at another time, the grant of the options would not otherwise be prohibited under this Policy and failure to make

the grant would indicate that the Company was in a blackout period. Such issues will always be subject to ASX Listing Rules, the TSX Listing Rules, section 708A of the Corporations Act and any other applicable securities laws and regulations.

Subject to such exercise or conversion not otherwise being prohibited under this Policy or other applicable securities laws and regulations, the Chairman or other designated director may at any time allow the exercise of an option or right under an option scheme or the conversion of a convertible security, to occur.

Any subsequent sale of such Company Securities will be subject to the terms of this Policy and other applicable securities laws and regulations.

13. GUIDANCE NOTES ON OTHER TRADING

For the purpose of Company policy and standards, the following transactions constitute trading and are consequently subject to the provisions of this Policy:

- (a) trading between Insiders;
- (b) off-market trading; and
- (c) transfers for no consideration by an Insider, other than transfers where the Insider retains a beneficial interest under corporate law.

For the purposes of Company policy and standards, the following trading is not subject to the provisions of this Policy:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements to allow take up of the balance of the entitlements under a rights issue; and
- (e) undertakings to accept, or the acceptance of, a takeover offer.

14. GUIDANCE NOTES ON OTHER TRADING

While in general, Insiders are free to deal in securities in other listed companies, the prohibited conduct under the Corporations Act includes dealings not only in Company Securities but also in those of other listed companies with which the Company may be dealing (including the Company's customers, contractors or business partners) where an Insider possesses Inside Information in relation to that other company. If an Insider is aware of information that is not generally available but which, if it were generally available, a

reasonable person would expect to have a material effect on the price or value of a security, the Insider should not deal in the securities of the companies that it affects.

15. ENFORCEMENT

All directors, Officers, employees and consultants of the Company and its subsidiaries will be provided with a copy of this Policy, and acknowledgement of and compliance with the procedures and restrictions set forth in this Policy is required of all Officers, employees and consultants of the Company. It is a condition of their appointment, employment or engagement that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorisation to proceed otherwise is received from an Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment with or engagement by the Company without notice. The violation of this Policy may also violate certain securities laws. If it appears that a director, Officer, employee or consultant may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

SCHEDULE A
COMMON EXAMPLES OF INSIDE INFORMATION

The following examples are not exhaustive.

- drilling results, exploration results and production figures;
- proposed changes in capital structure, including stock splits and stock dividends;
- notification of a substantial shareholding;
- proposed or pending financings;
- material increases or decreases in the amount of outstanding securities or indebtedness;
- proposed changes in corporate structure, including amalgamations and reorganisations;
- proposed acquisitions of other companies, including take-over bids or mergers;
- material acquisitions, dispositions or realisation of assets;
- material changes or developments in products or contracts which would materially affect earnings upwards or downwards;
- material changes in the business of the Company;
- changes in senior management or control of the Company;
- bankruptcy or receivership;
- changes in the Company's auditors;
- the financial condition and results of operations of the Company, including cash flow information;
- indicated changes in revenues or earnings upwards or downwards of more than recent average size;
- material legal proceedings;
- defaults in material obligations;
- capital returns and buy backs of financial products;
- the results of the submission of matters to a vote of securityholders;
- transactions with directors, Officers or principal securityholders;
- the granting of options or payment of other compensation to directors or Officers;
and
- any information required to be announced under applicable securities legislation or stock exchange rules.

**SCHEDULE B
MOLY MINES LIMITED
ACKNOWLEDGEMENT BY INSIDER**

1. I have read and understood the document titled "Share Trading Policy & Dealing Rules for Insiders".
2. I agree to be bound by and to comply with the Share Trading Policy & Dealing Rules for Insiders as amended or replaced from time to time.
3. I acknowledge and agree that the Share Trading Policy & Dealing Rules for Insiders constitute terms of my employment.

Signature: _____

Name: _____

Date: _____

Please send a completed copy to the Company Secretary.