

**MOLY MINES LIMITED**  
**MATERIAL INVESTMENT COMMITTEE CHARTER**

Effective Date: 1 July 2010

**1. PURPOSE AND SCOPE OF CHARTER**

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The Board of Directors (the “**Board**”) of Moly Mines Limited (the “**Company**”) has the responsibility of ensuring that an effective internal control framework exists within the governance structure of the Company. As part of its internal control procedures, the Board has resolved to establish a Material Investment Committee (“**Committee**”).

This Charter sets out the terms of reference for the Committee.

This Charter is not established in compliance with the requirements of the Toronto Stock Exchange (“**TSX**”) or the Australian Securities Exchange (“**ASX**”) or any other Canadian and Australian legal requirements.

The Charter is a statement of broad policies and is intended as a component of a flexible governance framework. The Charter does not establish any legally binding obligations.

The Charter outlines the Committee’s role and responsibilities, and details the administration requirements for the Committee. This includes the membership and authority of the Committee, the role of the Committee Chairman, the conduct of Committee meetings and attendance at these meetings, and, the review of the Committee’s performance.

**2 ROLE AND RESPONSIBILITIES**

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The primary role of the Committee is to review transactions being considered by the Company that:

- (a) exceed the approval limits set by the Board from time to time for the executive and management team for operating and capital items; or
- (b) are unusual, extraordinary or abnormal in nature and are referred to the Committee by the Board.

The Committee will make recommendations to the Board in relation to such transactions.

**3 ADMINISTRATION OF COMMITTEE**

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**Membership**

The Committee shall be composed of four (4) members, each of whom shall be Board members. No more than two Company executives can serve on the Committee at any one time. No more than two members of the Committee can be representatives of a shareholder holding a greater than [10]% interest in the Company.

The Committee shall be appointed by the Board. Members shall be appointed for one-year terms and may serve consecutive terms. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed by the Board, or ceases to be a member of the Board. In appointing members to the Committee, the Board shall ensure continuity of membership on the Committee.

### **Committee Chairman**

The Board shall appoint the Committee Chairman who shall be a person other than the Chairman of the Board and independent. The Committee Chairman shall be approved for a one-year term.

The Committee Chairman shall preside over all Committee meetings he/she attends, coordinate the Committee's compliance with this Charter, work with management to develop the Committee's annual work-plan and provide reports and recommendations of the Committee to the Board. In the absence of the Committee Chairman or appointed delegate at a meeting of the Committee, the members present shall elect one of their number as Chairman for that meeting.

### **Meetings**

- (a) The Committee shall meet as frequently as required.
- (b) Any Committee member may call a meeting of the Committee by notifying the Company Secretary who will notify the members of the Committee.
- (c) A notice of each meeting shall be forwarded to each Committee member prior to the date of the meeting. However, acknowledgement of receipt of notice by all Committee members is not required before the meeting may be validly held.
- (d) Minutes and resolutions of the Committee shall be maintained by the Company Secretary and distributed to all Committee members and the Chairman of the Board following their approval by the Committee Chairman.
- (e) The Committee Chairman, or delegate, shall report to the Board on the proceedings of the Committee meeting at the next Board meeting.
- (f) Committee minutes and papers may be made available to any director following a request to the Committee Chairman, subject to that director's fiduciary and statutory duties to the Company.

### **Attendance at Meetings**

- (a) A quorum will comprise any two Committee members.
- (b) Each member shall have one vote and the Committee Chairman shall not have a second or casting vote.
- (c) If a member of the Committee is absent then his or her vote may be cast by any other Committee member in accordance with his or her written instructions.

- (d) The Chairman of the Board, if not a member of the Committee, may attend meetings, *ex officio*.
- (e) The Company Secretary will attend each meeting to record minutes of the meeting.
- (f) The Committee Chairman may invite any person to Committee meetings as the Committee Chairman deems appropriate, necessary or desirable in order for the Committee to carry out its responsibilities.

#### **Authority of the Committee**

The Committee has the authority:

- (a) to seek any information it requires from any employee of the Company.
- (b) to obtain, at the Company's expense, outside independent legal counsel and other advisors as it determines necessary to carry out its role.
- (c) to set and pay the compensation for any advisors employed by the Committee.
- (d) to request any member of staff to be present at a meeting of the Committee as and when required.

#### **Review of Committee Performance**

The Board will annually revisit this Charter and the membership, objectives and duties of the Committee, and evaluate the effectiveness of the Committee's performance. The Committee may make recommendations to the Board in relation to these matters.