

5207755  
\$ 774,000  
April 18, 2007

**FORM 45-106F1**  
**REPORT OF EXEMPT DISTRIBUTION**

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

**Item 1:** State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

*Moly Mines Limited (the "Issuer")*  
46-50 Kings Park Road  
Perth, Western Australia  
6005

*Telephone: (61) 894293300*

**Item 2:** State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

*The Issuer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia and Newfoundland.*

**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- ☐ Bio-tech
- ☐ Financial Services
- ☐ investment companies and funds
- ☐ mortgage investment companies
- ☐ Forestry
- ☐ Hi-tech
- ☐ Industrial

- ☒ Mining
- ☐ exploration/development
- ☐ production
- ☐ Oil and gas
- ☐ Real estate
- ☐ Utilities
- ☐ Other (describe)

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**Details of distribution**

**Item 4:** Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

**Item 5:** State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

*April 18, 2007*

**Item 6:** For each security distributed:

- (a) describe the type of security,

*Special Warrants*

- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

*7,500,000 Special Warrants. Each Special Warrant is convertible into one (1) Ordinary Share of the Issuer upon the earlier of (i) the Issuer, (a) obtaining a final prospectus receipt in all of the qualifying jurisdictions approving the issuance and distribution of the Ordinary Shares issuable on the deemed exercise of the Special Warrants (the "Underlying Shares"), and (b) the Issuer and Paradigm Capital Inc., acting reasonably, confirming that, (A) the condition set out in (a) has been fulfilled, and (B) all regulatory and other approvals required in respect of the issuance of the Underlying Shares, if any, have been received, and (ii) sixty (60) days from April 18, 2006.*

- (c) state the exemption(s) relied on.

*Section 2.3 of National Instrument 45-106*

**Item 7:** Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	1	\$3.00	\$774,000
Manitoba	1	\$3.00	\$36,000
Ontario	16	\$3.00	\$18,390,000
Bermuda	2	\$3.00	\$867,000
Cayman Islands	1	\$3.00	\$2,001,000
England	1	\$3.00	\$288,000
Australia	1	\$3.00	\$144,000
Total number of Purchasers	23		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$22,500,000.00

**Note 1:** If securities are issued at different prices list the highest and lowest price the securities were sold for.

**Commissions and finder's fees**

**Item 8:** Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Paradigm Capital Inc. 95 Wellington Street West Suite 2101 Toronto, Ontario M5J 2N7	\$675,000	N/A	N/A	N/A	\$675,000
Haywood Securities Inc. 181 Bay Street Suite 2910 Toronto, Ontario M5J 2N7	\$337,500	N/A	N/A	N/A	\$337,500
GMP Securities LP 145 King Street West Suite 300 Toronto, Ontario M5H 1J8	\$84,375	N/A	N/A	N/A	\$84,375
Wellington West Capital Inc. 145 King Street West Suite 700 Toronto, Ontario M5H 1J8	\$28,125	N/A	N/A	N/A	\$28,125
	\$1,125,000.00				

**Item 9:** If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

**Certificate**

On behalf of the issuer, I certify that the statements made in this report are true.

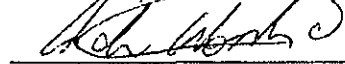
Date: April 25, 2007

Moly Mines Limited

Name of issuer (please print)

Andrew Worland, Secretary, (61) 894293300

Print name, title and telephone number of person signing



Signature

**Item 10:** State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

Michael Kicis  
Associate  
Blake, Cassels & Graydon LLP  
(44) 2076804604

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**