

# MOLY MINES LIMITED

## FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED

30 JUNE 2014

**ABN** 32 103 295 521

**Board of Directors**

Nelson Chen  
Kang Huan Jun  
Cathie (Wei) Wu

Non-Executive Chairman  
Non-Executive Director  
Non-Executive Director

**Executive Officers**

Graeme Kininmonth  
Riccardo Vittino  
Susan Hunter

Acting Chief Executive Officer  
Chief Financial Officer  
Company Secretary

**Principal & Registered Office**

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**Auditors**

Deloitte Touche Tohmatsu

**ASX Code/TSX Code:**

MOL

Email:

[info@molymines.com](mailto:info@molymines.com)

Website:

[www.molymines.com](http://www.molymines.com)

Your directors submit their report for the half-year ended 30 June 2014.

## DIRECTORS

The names of Moly Mines Limited (the Company or Moly Mines) directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Nelson Chen	Non-Executive Chairman Alternate Director to Mr Kang Huan Jun from 9 April 2014
Kang Huan Jun	Non-Executive Director
Cathie (Wei) Wu	Non-Executive Director (appointed 17 January 2014)
Douglas Buerger	Non-Executive Director (appointed 17 January 2014, resigned 1 July 2014)
Paul Eagland	Non-Executive Director (resigned 20 February 2014)
Alan Edwards	Non-Executive Director (resigned 20 March 2014)
Peter Mansell	Non-Executive Director (resigned 17 January 2014)

## REVIEW AND RESULTS OF OPERATIONS

### Principal Activities

The principal activity of Moly Mines and its subsidiaries (the Group) during the half-year was the ongoing evaluation of potential acquisitions.

### Results from Operations

The net loss after taxation attributable to the members of Moly Mines for the half-year to 30 June 2014 was A\$1,946,000 (half-year to 30 June 2013: profit of A\$4,329,000). The basic loss per share for the Company was 0.51 cents per share (half-year to 30 June 2013: profit of 1.12 cents per share) and the diluted loss per share was 0.51 cents per share (half-year to 30 June 2013: profit of 1.11 cents per share). The Company's financial performance and results have been, and will continue to be, attributable to its exploration, evaluation and development activities on its current ground holdings or properties that may be acquired in the future.

### Financial Position

As at 30 June 2014, the Company had A\$70.4 million cash on hand (31 Dec 2013: A\$76.1 million).

### Operations Summary, Spinifex Ridge Iron Ore Mine – Pilbara, Western Australia

For the period under review, the Spinifex Ridge Iron Ore Mine was operated by Mineral Resources Limited (MRL, ASX: MIN) subject to a mine gate sale agreement that took effect on 1 July 2013 for iron ore produced at the Company's Spinifex Ridge Iron Ore Mine to the end of the mine life. MRL has advised that 799,178 tonnes were transported from Spinifex Ridge during the six months to 30 June 2014. MRL is currently hauling ore at 1.625 million tonnes per annum. Based on this rate it is expected that site operations will cease late this year.

## Corporate

The Company's current acquisition strategy is focussed on near term production assets particularly in the gold and copper space. Earlier stage opportunities and advanced projects in other metals or minerals will be considered on their merits.

The Company's majority shareholder, Hanlong Mining Investment Pty Ltd (Hanlong), has advised the Company that although it is unlikely that Hanlong will be in a position to directly financially support an acquisition and project development in the near future, it maintains its support for the Company's acquisition strategy and it will seek to assist the Company to secure finance from Chinese banks and other sources if required.

The balance of the Unity Mining Limited royalty was received during the half-year. A\$1 million cash was received on 17 February 2014 and A\$2,666,667 in Unity Mining shares was received in staged issues during the half-year.

## Hedging Program

During the half-year ended 30 June 2014, the Company entered into funds investment arrangements with a major global financial institution. These arrangements were entered into and closed out during the half-year to take advantage of favourable currency movements and resulted in a gain of \$88,000.

## Securities on Issue

During the 2014 half year there was a reduction in the number of employee options on issue.

	Balance 30 June 2014
Ordinary shares	384,893,989
Options	
-      EIG Warrants	4,832,157
-      Employee options	6,849,987
<b>Total options</b>	<b>11,682,144</b>
<b>Total potential ordinary shares</b>	<b>396,576,133</b>

## ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (when rounding is applicable) under the option available to the Company under ASIC CO 98/0100. The Company is an entity to which the class order applies.

## AUDITORS' INDEPENDENCE DECLARATION

We have obtained the attached independence declaration from our auditors, Deloitte, which forms part of this report.

Signed in accordance with a resolution of directors.



Nelson Chen  
Chairman  
21 August 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

		Six months ended 30 June 2014 A\$'000	30 June 2013 A\$'000
	Note		
<b>Continuing Operations</b>			
Sales revenue – iron ore		12,731	53,625
Cost of sales	2	(14,122)	(46,529)
Gross loss		(1,391)	7,096
Interest revenue		667	460
Royalty income	6	667	4,000
Foreign currency gains		-	1,465
Fair value gain on derivative financial instruments	4	88	2,240
Expenses:			
Administrative expenses	12	966	(4,434)
Hanlong Metals off-take termination fee and royalty		-	(4,000)
Foreign currency losses		(1,187)	-
Loss on sale of plant and equipment		(2)	(767)
Loss on sale of financial assets classified as available for sale	6	(12)	-
Impairment of non-current financial assets classified as available for sale		(926)	(527)
Impairment of development costs		(425)	(434)
Exploration expenses written off		-	(10)
Finance costs		(391)	(760)
<b>Profit / (loss) before income tax</b>		<b>(1,946)</b>	<b>4,329</b>
Income tax expense		-	-
<b>Net profit / (loss) after income tax</b>		<b>(1,946)</b>	<b>4,329</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>(1,946)</b>	<b>4,329</b>
Earnings per share for profit / (loss) attributable to the ordinary equity holders of the Company:			
Basic profit / (loss) per share (cents per share)		(0.51)	1.12
Diluted profit / (loss) per share (cents per share)		(0.51)	1.11

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	Note	30 June 2014 A\$'000	31 Dec 2013 A\$'000
<b>Current Assets</b>			
Cash and cash equivalents		70,382	76,057
Receivables	3	4,610	8,153
Prepayments		278	162
		75,270	84,372
Non-current assets classified as held for sale	5	14,500	14,500
<b>Total Current Assets</b>		<b>89,770</b>	<b>98,872</b>
<b>Non-Current Assets</b>			
Financial assets classified as available for sale	6	1,965	396
Receivables	3	410	410
Plant and equipment	7	1,150	4,680
Mine property development	8	9,715	19,016
<b>Total Non-Current Assets</b>		<b>13,240</b>	<b>24,502</b>
<b>Total Assets</b>		<b>103,010</b>	<b>123,374</b>
<b>Current Liabilities</b>			
Trade and other payables	9	2,803	3,681
Deferred revenue	11	10,740	23,471
Provisions		4,554	4,578
<b>Total Current Liabilities</b>		<b>18,097</b>	<b>31,730</b>
<b>Non-Current Liabilities</b>			
Borrowings	10	10,971	11,550
Provisions		47	194
<b>Total Non-Current Liabilities</b>		<b>11,018</b>	<b>11,744</b>
<b>Total Liabilities</b>		<b>29,115</b>	<b>43,474</b>
<b>Net Assets</b>		<b>73,895</b>	<b>79,900</b>
<b>Equity</b>			
Contributed equity		402,673	402,673
Reserves	12	10,202	14,261
Accumulated losses		(338,980)	(337,034)
<b>Total Equity</b>		<b>73,895</b>	<b>79,900</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	Note	30 June 2014 A\$'000	30 June 2013 A\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		-	56,941
Payments to suppliers and employees		(5,126)	(47,089)
Interest paid		(484)	(736)
<b>Net cash flows (used in) / provided by operating activities</b>		<b>(5,610)</b>	<b>9,116</b>
<b>Cash flows from investing activities</b>			
Proceeds from security deposits		4,464	
Payments for security deposits		(4,464)	-
Payments for exploration and evaluation activities		-	(13)
Payments for mine property development activities		(400)	(375)
Payments for plant and equipment		(19)	(23)
Proceeds from disposal of plant and equipment		-	29
Deferred proceeds from disposal of subsidiary	6	1,000	-
Proceeds from sale of financial assets classified as available for sale	6	160	-
Interest received		808	310
<b>Net cash flows provided by / (used in) investing activities</b>		<b>1,549</b>	<b>(72)</b>
<b>Cash flows from financing activities</b>			
Proceeds from derivative financial instrument	4	88	-
Payment for derivative financial instrument		-	(460)
Refund of transaction costs relating to borrowings		-	415
Finance lease principal repaid		-	(47)
<b>Net cash flows provided by / (used in) financing activities</b>		<b>88</b>	<b>(92)</b>
Net (decrease) / increase in cash and cash equivalents		(3,973)	8,952
Net foreign exchange difference		(1,702)	2,912
Cash and cash equivalents at beginning of the period		76,057	41,115
<b>Cash and cash equivalents at end of the period</b>		<b>70,382</b>	<b>52,979</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	Contributed Equity	Accumulated Losses	Share- Based Payments Reserve	Warrants Reserve	Total Equity
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>At 1 January 2013</b>	402,673	(332,160)	4,571	9,390	84,474
Profit for the period	-	4,329	-	-	4,329
Total comprehensive income for the period	-	4,329	-	-	4,329
Equity transactions					
Recognition of share-based payments	-	-	144	-	144
<b>At 30 June 2013</b>	<b>402,673</b>	<b>(327,831)</b>	<b>4,715</b>	<b>9,390</b>	<b>88,947</b>
<b>At 1 January 2014</b>	402,673	(337,034)	4,871	9,390	79,900
Loss for the period	-	(1,946)	-	-	(1,946)
Total comprehensive loss for the period	-	(1,946)	-	-	(1,946)
Equity transactions					
Recognition of share-based payments (refer to Note 12)	-	-	(4,059)	-	(4,059)
<b>At 30 June 2014</b>	<b>402,673</b>	<b>(338,980)</b>	<b>812</b>	<b>9,390</b>	<b>73,895</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

### Basis of Preparation

This general purpose condensed financial report for the half-year ended 30 June 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard, IAS 34 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not contain all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2013 and considered together with any public announcements made by Moly Mines Limited during the half-year ended 30 June 2014, in accordance with the continuous disclosure obligations of the Australian Securities Exchange Listing Rules.

The half-year financial report has been prepared on a historical cost basis, except for available for sale investments, held for trading investments and derivative financial instruments, which have been measured at fair value. Non-current assets classified as held for sale have been measured at fair value less costs to sell.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### Changes in Accounting Policy

The Group has adopted the following new and amended Australian Accounting Standards and Interpretations as of 1 January 2014.

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]

This amendment will reduce the Group's annual disclosure requirements for KMP equity holdings.

- AASB 1053 Application of Tiers of Australian Accounting Standards
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]
- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- AASB 1031 Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Parts A and B)
- Interpretation 21 Levies

Except as noted above, the adoption of these Standards and Interpretations did not have a material impact on the financial statements or performance of the Group.

## 2. EXPENSES

### Cost of Sales

	30 June 2014 A\$'000	30 June 2013 A\$'000
Cost of production	357	32,993
Shipping and marketing	-	6,075
Royalty expense	957	3,121
Depreciation and amortisation	12,808	4,340
	14,122	46,529

## 3. RECEIVABLES

### Current

	30 June 2014 A\$'000	31 Dec 2013 A\$'000
Trade receivables	4,205	4,205
Royalty receivable	-	3,000
Fuel tax credit receivable	-	400
Security deposits	189	189
Interest receivable	149	290
GST receivables	55	52
Other receivables	12	17
	4,610	8,153

### Non-current

Security deposits	410	410
	410	410

## 4. DERIVATIVE FINANCIAL INSTRUMENTS

During the half-year ended 30 June 2014, the Company entered into funds investment arrangements with a major global financial institution. These arrangements were entered into and closed out during the half-year to take advantage of favourable currency movements and resulted in a gain of \$88,000.

## 5. NON-CURRENT ASSETS HELD FOR SALE

### (a) Details of assets held for sale

The Group has certain long-lead plant and equipment held for sale due to it being in excess to expected future development requirements. The non-current assets classified as held for sale are as follows:

	30 June 2014 A\$'000	31 Dec 2013 A\$'000
Plant and equipment	14,500	14,500

### (b) Movements in the carrying amount of assets held for sale

Carrying amount at beginning of the period	14,500	14,500
Impairment	-	-
Closing Balance (i)	14,500	14,500

- (i) The value of plant and equipment has been written down to its fair value less cost to sell.
- (ii) Minasco Australia Pty Ltd has been appointed to sell this plant and equipment. Promotion of the sale commenced on 1 September 2009 and is ongoing. The plant and equipment held for sale includes:
- 14 MW Polysius 7.3 x 12.5 metre ball mills (2); and
  - other ancillary equipment.

The carrying value of these assets represents the fair value less cost to sell.

## 6. NON-CURRENT ASSETS – FINANCIAL ASSETS CLASSIFIED AS HELD FOR SALE

Listed shares – Unity Mining Limited	1,965	396
<b>Movements in the carrying amount</b>		
Opening Balance	396	1,152
Value of shares received	2,667	-
Carrying value of shares sold	(172)	-
Impairment of financial assets classified as available for sale	(926)	(756)
Closing Balance	1,965	396

The fair value of financial assets classified as available for sale has been determined directly by reference to published price quotations in an active market.

Unity Mining Limited (UML) was created from the 2013 merger of two ASX-listed companies, Unity Mining Limited (UML) and Cortona Resources Ltd (CRL). The Company formerly held shares in CRL and received 0.734 UML shares for every CRL share held.

An A\$4 million royalty from UML in relation to the sale by the Company to CRL in 2007 of its NSW gold assets became unconditional when a decision to mine was made on the Dargues Reef Gold Project. A\$1 million was received in July 2013. Payment was due to be made by 30 November 2013 by UML electing to pay a further A\$3 million in cash or A\$4 million in Unity Mining shares. UML defaulted on this agreement, and under a revised agreement paid A\$1 million cash on 17 February 2014 and A\$2,666,667 in Unity Mining shares in staged issues during the half-year. A\$3m of the cash and share proceeds received during the half-year were recognised as royalty income in the year ended 31 December 2013, resulting in the balance of A\$666,667 being recognised as royalty income in the half-year ended 30 June 2014.

30 Jun 2014 A\$'000	31 Dec 2013 A\$'000
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## 7. PLANT AND EQUIPMENT

### Plant and Equipment

Carrying amount at beginning of the period	4,680	7,579
Additions	20	87
Disposals	(14)	(325)
Depreciation expense	(3,536)	(2,661)
Carrying amount at end of the period	1,150	4,680

### Motor Vehicles

Carrying amount at beginning of the period	-	142
Disposals	-	(136)
Depreciation expense	-	(6)
Carrying amount at end of the period	-	-

### Total plant and equipment

1,150	4,680
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## 8. MINE PROPERTY AND DEVELOPMENT

Carrying amount at beginning of the period	19,016	31,309
Expenditure incurred	420	933
Additions to rehabilitation asset	-	2
Movement in deferred waste	-	4,101
Amortisation	(9,296)	(11,507)
Impairment	(425)	(5,822)
	9,715	19,016

## 9. PAYABLES

### Current

Trade and other payables	148	28
Accruals	1,100	1,206
Off-take termination royalty payable to Hanlong Metals	1,555	2,447
	2,803	3,681

30 Jun 2014 A\$'000	31 Dec 2013 A\$'000
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## 10. BORROWINGS

### Non-Current

Loan – Hanlong (i)

10,971	11,550
10,971	11,550

(i) Refer to the December 2013 Annual Report for full disclosure of the terms of the Hanlong loan.

## 11. DEFERRED REVENUE

### Current

Deferred revenue – forward sale of iron ore

10,740	23,471
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Deferred revenue relates to the iron ore mine gate sale to MRL and reflects forecast annual production at the contracted rate per tonne which has been prepaid by MRL to the Company.

## 12. SHARE-BASED PAYMENTS

Following the resignation of employees and directors during the period, the Company undertook a full review of the carrying values in the Share-Based Payments Reserve as at 30 June 2014. The amounts represent rights to options issued to current and former directors and employees of the Company pursuant to the Employee Incentive Option Scheme ("EIOS"). It was determined that as a result of the resignations, the service period conditions attached to previously issued options were not achieved. The Company has adjusted the carrying values accordingly.

The amount credited to administrative expenses in the consolidated statement of profit or loss and other comprehensive income as a result of this adjustment was \$4,078,000.

Refer to the December 2013 Annual Report for full disclosure of the terms of the EIOS.

### 13. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are used by the chief operating decision makers (CODM) in order to allocate resources to the segment and to assess its performance. Segments are identified on the basis of mineral type. The CODM of the Group are the Board of Directors and the Acting Chief Executive Officer. Financial information about each segment is provided to the CODM on at least a monthly basis.

The entity has two reportable operating segments as follows:

- Spinifex Ridge Molybdenum / Copper Project. This project is located in the Pilbara region of Western Australia; it is fully permitted and ready for immediate development subject to achieving a successful project financing based on improvements in commodity prices and/or exchange rates.
- Spinifex Ridge Iron Ore Mine. This project is located in the Pilbara region of Western Australia. Production commenced in November 2010. Future production was sold to MRL under a mine gate sale in June 2013, effective 1 July 2013.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Cash on hand and interest revenue.
- Foreign currency gains and losses incurred on foreign currency cash on hand.
- Fair value gains/losses on derivatives that are not directly related to commodity prices.
- Fair value gains/losses on available for sale financial assets.
- Fair value gains/losses on options.
- Foreign currency gains/losses and finance costs on interest-bearing liabilities.
- Corporate administrative expenses.
- Property, plant and equipment considered not part of an operating segment.
- Exploration expenditure considered not part of an operating segment.
- Income tax considered not part of an operating segment.
- Interest-bearing liabilities considered not part of an operating segment.

### 13. SEGMENT INFORMATION (CONTINUED)

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

	Spinifex Ridge Molybdenum Project 30 June 2014 A\$'000	Spinifex Ridge Iron Ore Mine 30 June 2014 A\$'000	Total 30 June 2014 A\$'000
<b>Revenue and other income</b>			
Segment revenue	-	12,731	12,731
Unallocated			
Interest revenue			667
Royalty income			667
Derivative gains			88
Total revenue and other income			14,153
<b>Results</b>			
Pre-tax segment result	(425)	(1,394)	(1,819)
Unallocated			
Interest revenue			667
Royalty income			667
Derivative gains			88
Foreign currency losses			(1,187)
Administrative expenses			969
Impairment of non-current financial assets			(926)
Loss on sale of financial assets classified as available for sale			(12)
Loss on sale of plant and equipment			(2)
Finance costs			(391)
Loss after income tax			(1,946)
<b>Segment Assets</b>			
Segment operating assets	14,500	15,194	29,694
Unallocated assets			73,316
Total assets			103,010

### 13. SEGMENT INFORMATION (CONTINUED)

	Spinifex Ridge Molybdenum Project 30 June 2013 A\$'000	Spinifex Ridge Iron Ore Mine 30 June 2013 A\$'000	Total 30 June 2013 A\$'000
<b>Revenue and other income</b>			
Segment revenue	-	53,625	53,625
Segment other income – derivative gains	-	2,240	2,240
Unallocated			
Interest revenue			460
Total revenue			56,325
<b>Results</b>			
Pre-tax segment result	(448)	4,538	4,090
Unallocated			
Interest revenue			460
Royalty income			4,000
Foreign currency gains			1,465
Administrative expenses			(4,406)
Exploration refund			4
Impairment of non-current financial assets			(527)
Finance costs			(757)
Profit after income tax			4,329
	Spinifex Ridge Molybdenum Project 31 Dec 2013 A\$'000	Spinifex Ridge Iron Ore Mine 31 Dec 2013 A\$'000	Total 31 Dec 2013 A\$'000
<b>Segment Assets</b>			
Segment operating assets	14,500	28,506	43,006
Unallocated assets			80,368
Total assets			123,374



#### 14. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions which have been entered into with Hanlong and Hanlong Metals during the six month periods ended 30 June 2014 and 30 June 2013, as well as balances with Hanlong and Hanlong as at 30 June 2014 and 31 December 2013:

	Six months ended	
	30 June 2014 A\$'000	30 June 2013 A\$'000
Sales revenue – iron ore	-	38,110
Marketing commissions	-	688
Finance costs	391	762
Off-take termination fee paid	-	1,000
Off-take termination royalty accrued against future income	-	3,000
	30 June 2014 A\$'000	31 Dec 2013 A\$'000
Payables – loan interest	129	221
Off-take termination royalty payable to Hanlong Metals	1,555	2,447
Loan from Hanlong	10,971	11,550

#### 15. CONTINGENT LIABILITIES

The Directors are not aware of any circumstance or information which leads them to believe there are any material contingent liabilities outstanding or likely to be outstanding as at 30 June 2014.

#### 16. SUBSEQUENT EVENTS

No circumstances or events have arisen subsequent to the end of the period that have had, or are likely to have, a material impact on the operations of the Group or the financial statements.

In accordance with a resolution of the directors of Moly Mines Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Reporting*, International Accounting Standard IAS 34 *Interim Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

On behalf of the Board



Nelson Chen  
Chairman  
21 August 2014

The Board of Directors  
Moly Mines Limited  
50 Kings Park Road  
WEST PERTH WA 6005

21 August 2014

Dear Board Members

**Moly Mines Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Moly Mines Limited.

As lead audit partner for the review of the financial statements of Moly Mines Limited for the half-year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

*Deloitte Touche Tohmatsu*  
**DELOITTE TOUCHE TOHMATSU**



**Leanne Karamfiles**  
Partner  
Chartered Accountant

# Independent Auditor's Review Report to the Members of Moly Mines Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Moly Mines Limited, which comprises the condensed statement of financial position as at 30 June 2014 and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 16.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Moly Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Moly Mines Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Moly Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu  
**DELOITTE TOUCHE TOHMATSU**



**Leanne Karamfiles**  
Partner  
Chartered Accountants  
Perth, 21 August 2014