

VICTORY WEST
MOLY LIMITED

ANNUAL REPORT 2009

For Victory West Moly Limited And Controlled Entities

ABN 66 009 144 503

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Letter to Shareholders

Dear Shareholders,

On behalf of the Board of Directors I present the 2009 annual report for Victory West Moly Limited.

Notwithstanding the global recession, the Company remains focussed on the highly prospective Malala molybdenum deposit in Sulawesi, Indonesia. The Board is committed to the business strategy of selecting a world class project with a particular focus on a key commodity in molybdenum. With the use of key management and consultants working on the project, the Company is seeking shareholder wealth whilst managing risk.

In particular much of the activity during the period centred on the following:

- Further drilling, assaying and trenching of anomaly B and other prospective sites on the five concessional areas;
- Continuation of the scoping study with Beijing General Research Institute of Mining and Metallurgy ("BGRIMM");
- Equity raising by conversion of options and placement of the shortfall.

The addition of Brett McKay to the team as our consulting Geologist has been very productive. Following recent travels to the Nancy Camp site, where he oversaw operations, Brett is now preparing the Company for the next phase of drilling and exploration.

The Company was also presented with a number of prospects during the year however the Board remain clearly focussed on the Malala molybdenum project and the discussions with a number of interested parties as to its scale and grade.

The strong long term outlook for molybdenum and the shortage of supply indicates that new mines are required to satisfy future demand growth. The molybdenum price has commenced a strong upward movement and the Company will continue to monitor the positive industry trends.

I would like to thank the Board, staff and consultants both in Australia and overseas, in particular Indonesia and the Province of Toli Toli for their contribution during the year and for their ongoing commitment. Importantly we value our long term relationship with the Bupati of Toli Toli and the Governor of Sulawesi and we look forward to another productive year of working with them.

I draw your attention to the Operational Report included herewith which discusses our project in detail and I also encourage you to regularly visit our website at www.victorywestmoly.com.au for all of our ASX announcements, project updates and information.

We look forward to meeting our shareholders at the upcoming Annual General Meeting.

On behalf of the Board of Directors.



Steven Pynt LLB MBA

Chairman

30 September 2009

Review of Operations

The Consolidated entity's activities are contained in releases to the ASX on a quarterly basis and can be obtained from our website www.victorywestmoly.com.au

The Company has been extremely active during the period ended 30 June 2009 remaining focused on evaluating and developing its highly prospective Malala molybdenum project in Sulawesi, Indonesia.

We believe that Molybdenum remains an appropriate commodity to invest in. The strong long term outlook for molybdenum and the shortage of supply indicates that new mines are required to satisfy future demand growth. The molybdenum price has commenced a recent strong upward movement and the Company will continue to monitor the positive industry trends.

Notable achievements during the year include:

- Commencing and completing its first exploration diamond drilling programme;
- Embarking upon extensive regional geochemical sampling programmes;
- Commencing of comprehensive trenching programmes;
- Applied for the conversion of the company's KP permits to the new IUP permits following the passing of the new bill on mining in Indonesian parliament in December 2008;
- Completion of a number of successful capital raisings.

The Company has devoted resources to evaluating and assessing the projects in its portfolio as detailed below. The results to date are highly encouraging and suggest that the mineralised material present at Anomaly B could produce a commercially acceptable concentrate product. A significant amount of additional testwork is required to ascertain the metallurgical characteristics of mineralised material across the entire Anomaly B zone. This testwork is expected to be conducted upon completion of further drilling at Anomaly B.

In 2010, the Company will continue to evaluate its project through a number of evaluation and exploration programmes which are currently in progress or are being planned.

Malala Molybdenum Project, Sulawesi, Indonesia – 71.25% VWM

The Malala Molybdenum deposit is located in the Toli Toli Regency, on the Island of Sulawesi in Indonesia. Palu is the provincial capital of Central Sulawesi. The actual location of the deposit is at latitude 0040'N and longitude 120030'E.

The 2009 financial year represented the first time exploration has been undertaken on the Malala Molybdenum Project since the Rio Tinto/Santos joint venture failed to win retention permits over the project from the Indonesian Government in 1982. Victory West Moly Limited (formerly Richfield Group) acquired a 71.25% stake in the concessions, recognising the potential of Malala to be a world class molybdenum project. VWM are now aiming at proving up a large, high grade molybdenum resource to be used as a basis to feasibility studies and eventually mine development.

The Malala Project is in the Toli Toli Province of northern Sulawesi, Indonesia, approximately 150km to the north of Palu (Figure 1). The project comprises five newly granted IUP's, some of the first IUP's to be granted under the new Indonesian Mining Law. Total area forming the Malala Project is in excess of 240km² (Figure 2). Molybdenum and minor copper mineralisation is associated with porphyritic intrusions at Malala, with contact zones between the porphyritic intrusives and the country rock hosting the best mineralisation.

Since acquisition, VWM has worked diligently at compiling and reviewing the historical data and re-initiating the exploration process. Preliminary work has targeted Anomaly B, the key area of Rio Tinto/Santos exploration efforts in the 1970's and 1980's. Rio Tinto had defined a non-JORC compliant resource at Anomaly B which is the basis of VWM's target resource of 105-115Mt @ 660-900ppm Mo*. In FY2009, VWM began the task of proving up this initial resource target, in addition to undertaking reconnaissance exploration campaigns throughout the project area.

VWM has undertaken a number of detailed exploration programs consisting on drilling, trenching, regional reconnaissance sampling (stream sediments and rock chips), as well as beginning the first stages of metallurgical testwork. In addition, a number of important initiatives were embarked upon, including the re-building of the Nancy Camp to accommodate 100 workers, setting up a regional office in Toli Toli and establishing community relations with nearby villages and towns. As VWM are now one of the largest employers in the area, they have also built and maintained excellent relations with the Regency of Toli Toli, the governing authority in this part of northern Sulawesi.

VWM, through its Indonesian subsidiaries, have employed four Indonesian geologists and 50-60 local workers on a full time basis since August 2008, most of who continue with the group today.

*** In accordance with Clause 18 of the JORC Code, it is important to note that no JORC Mineral Resources or Ore Reserves have been established on these tenements and any current assessment remains subject to ongoing exploration work and drilling. The current interpretation remains preliminary and is based on exploration, evaluation and resource definition work performed by previous owners Rio Tinto and Santos.**

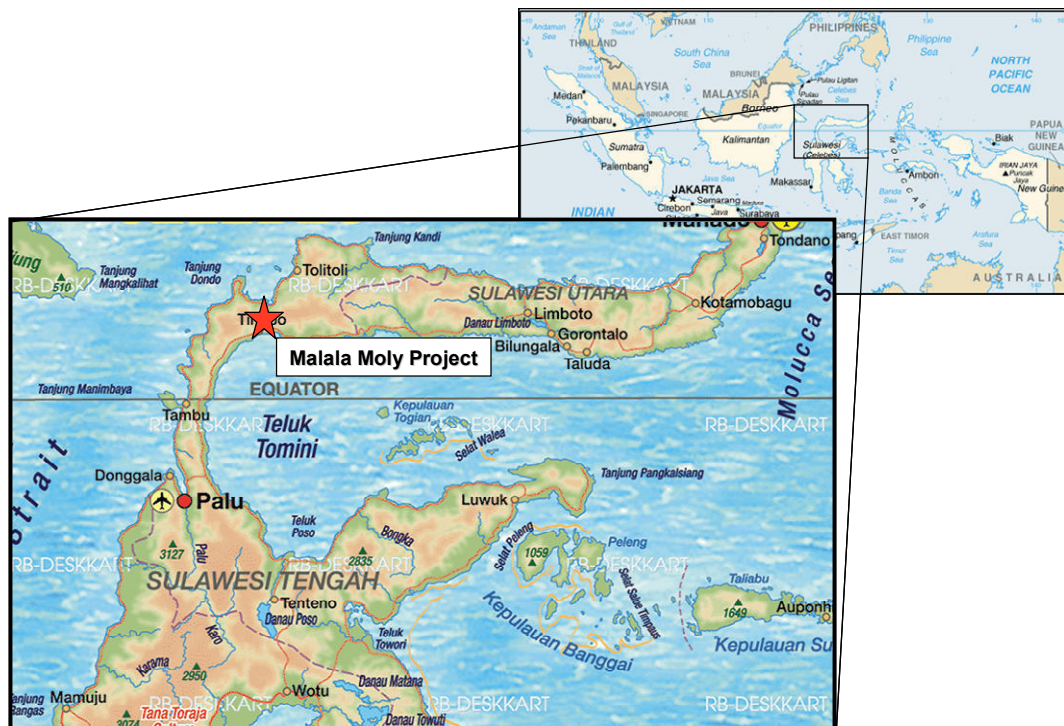


Figure 1 – Location of Malala Molybdenum Project in northern Sulawesi, Indonesia.

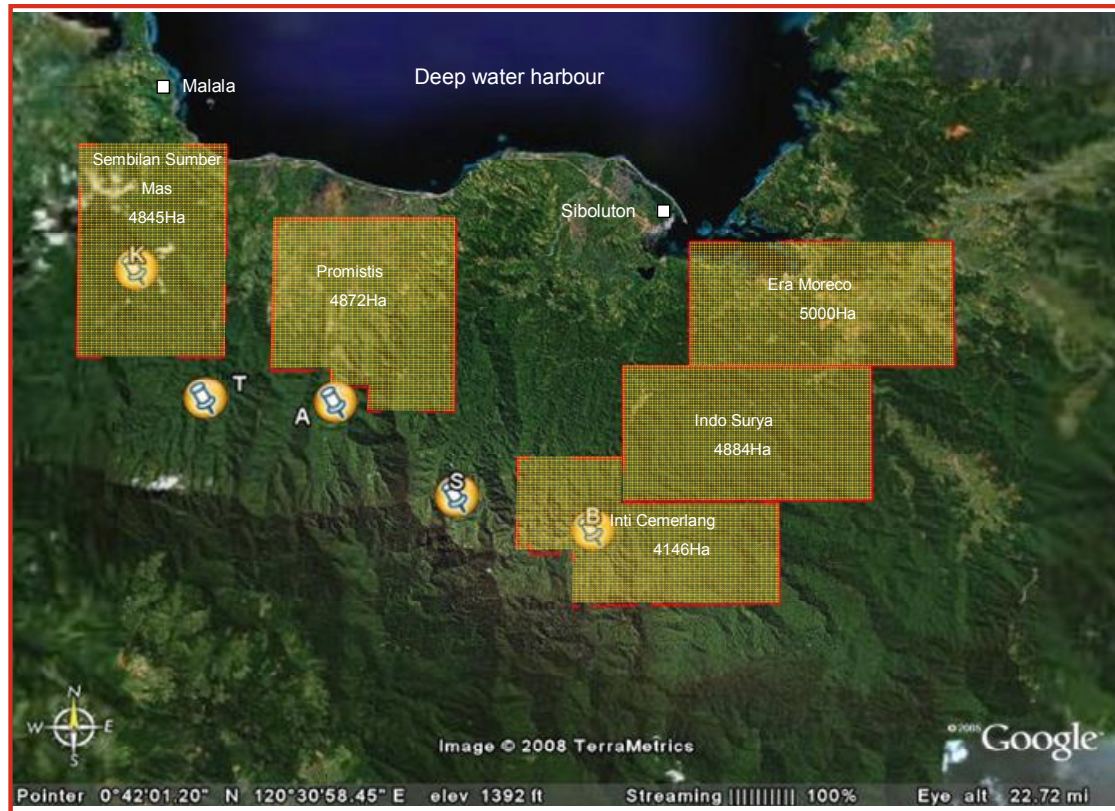


Figure 2 – Malala Molybdenum Project area

Diamond Drilling

VWM launched Phase 1 of diamond drilling during August 2008 with the initial aim of validating a number of the historical Rio Tinto and Santos drilling intersections. A total of 11 diamond core holes (M37-M47) were drilled by VWM for 2,126m over a six and a half month period (Table 1). Due to the locally steep terrain, most of the drilling was supported by a site-based helicopter.

The effectiveness of the Phase 1 drilling program was significantly impacted by the poor performance of the drilling rig/s and flying limitations of the helicopter. However, the program was broadly successful, returning a number of significant molybdenum intersections over substantial widths, including 245m @ 1,200ppm Mo from 5m (Table 2). Importantly, drilling appears to be confirming the structurally-controlled geological model proposed by Santos in 1982 – a model that was never actually tested until now. Furthermore, it is being demonstrated that the depth of oxidation over the Anomaly B is quite shallow.

There remains substantial scope to continue drilling at Anomaly B and significant new drilling programs are being planned for the 2010 financial year aimed at proving and hopefully exceeding the preliminary exploration target. It is anticipated that a number of holes will also be drilled to test a number of highly anomalous molybdenum-in-soils geochemical targets located immediately adjacent to Anomaly B (Figure 3).

Drill Hole	Date Commenced	Date Finished	Collar Coordinates		Azimuth (°)	Dip (°)	Depth (m)	
			Easting (m)	Northing (m)				
M37	04 Aug2008	09 Sept 2008	223813	72757	45	-55	404.85	
M38	12 Sept2008	01 Nov 2008	223708	72647	45	-55	451.75	
M39	23 Sept2008	15 Nov 2008	223364	73367	45	-55	172.50	
M40	05 Nov 2008	20 Nov 2008	223965	72714	225	-45	226.95	
M41	17 Nov 2008	11 Dec 2008	223199	73298	40	-55	170.50	
M42	22 Nov 2008	08 Dec 2008 (Abandoned)	223967	72716	45	-55	65.65	
M43	14 Decr 2008	26 Dec 2008	223320	73131	225	-45	138.10	
M44	27 Dec 2008	08 Jan 2009	223320	73131	225	-70	190.90	
M45	10 Jan 2009	17 Jan 2009	223321	73132	45	-55	112.65	
M46	22 Jan 2009	05 Feb 2009	223937	72707	45	-45	118.75	
M47	06 Feb2009	18 Feb 2009	223937	72707	225	-45	73.4	
							Total = 2,126.0m	

Table 1 – Diamond drill hole details from 2008/09 drilling campaign at Anomaly B.

Hole Number	From(m)	To (m)	Interval (m)	Mo ppm
M37	5	250	245	1,200
M38	270	340	70	860
M39				NSR
M40				NSR
M41	2	169	167	400
M42				NSR, hole abandoned
M43	64	88	24	700
and	110	124	14	1,400
M44	80	131	51	500
M45				NSR
M46				NSR
M47	49	71	22	950 (ended in mineralisation)

Table 2 – Significant intersections recorded from 2008/09 drilling at Anomaly B. NSR = No significant result.

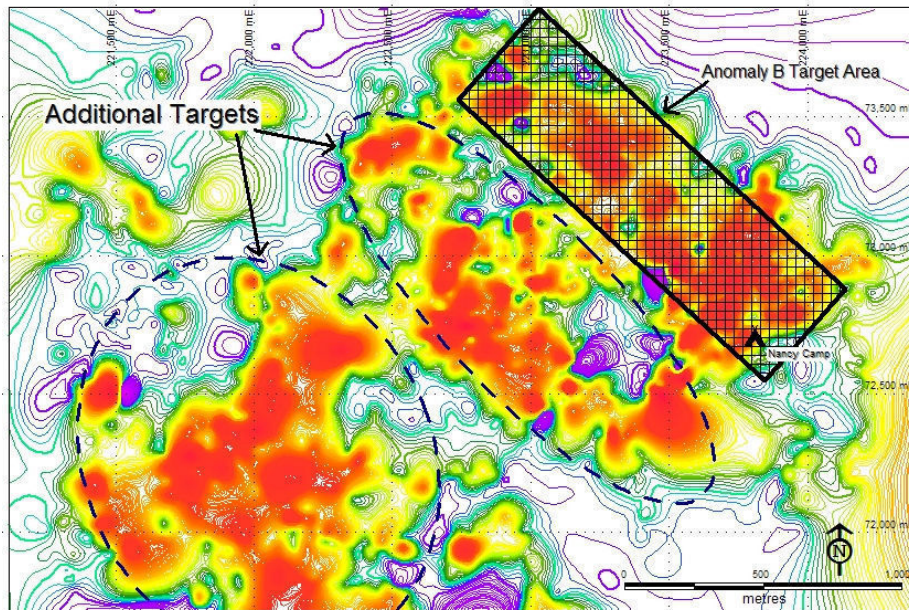


Figure 3 – Additional target areas adjacent to Anomaly B defined by +5ppm Mo-in-soil geochemistry.

Regional Geochemical Sampling Programs

Field crews worked throughout the year collecting reconnaissance samples from the Company's suite of five tenements. A total of 319 stream sediment samples and 36 rock chip samples were collected during FY09. Results from the stream sediment sampling have highlighted a number of areas that warrant follow-up detailed geological assessment as the district is considered highly prospective for new discoveries. It is expected this assessment will take place during 2010FY. These areas include possible extensions to the Anomaly B prospect area, with very high molybdenum-in-stream sediment samples collected from drainages extending over 1km from the prospect area as defined to date (Figure 4).

Trenching

VWM commenced a comprehensive trenching program at Anomaly B during February 2009 aimed at defining the size and grade of the Anomaly B target area and to provide detailed geological information to assist in planning future resource drilling programs. A total of 1027 samples from 5,597.1 metres of trench line were collected and analysed to the end of June 2009. Each sample is a 5m continuous rock chip sample. Fresh molybdenite, pyrite and chalcopyrite in fractures and veins has been reported at numerous locations within all trenches.

Significant assay results were reported from the trench samples returned to date, including broad continuous intervals such as:

- 280m @ 720ppm Mo, including 70m @ 1300ppm Mo from trench L800
- 163m @ 688ppm Mo, including 30m @ 1200ppm Mo from trench L850
- 165m @ 675ppm Mo, including 50m @ 1050ppm Mo from trench L900
- 70m @ 679ppm Mo, including 25m @ 894ppm Mo from trench L1000
- 62m @ 694ppm Mo from trench L750

These results have defined the bedrock anomaly associated with the Anomaly B target area to be in excess of 800m long and 350m wide (Figure 5). Subsequent to the end of the 2009FY, VWM continued trenching, adding another five trench lines with the aim of extending the strike length of Anomaly B to approximately 2000m. Importantly, two of these additional trench lines will target the south-eastern extension of Anomaly B where little recent exploration activity has taken place to date, however the historic Rio Tinto drill hole M30 reported a very broad intersection of 363m @ 600ppm Mo.

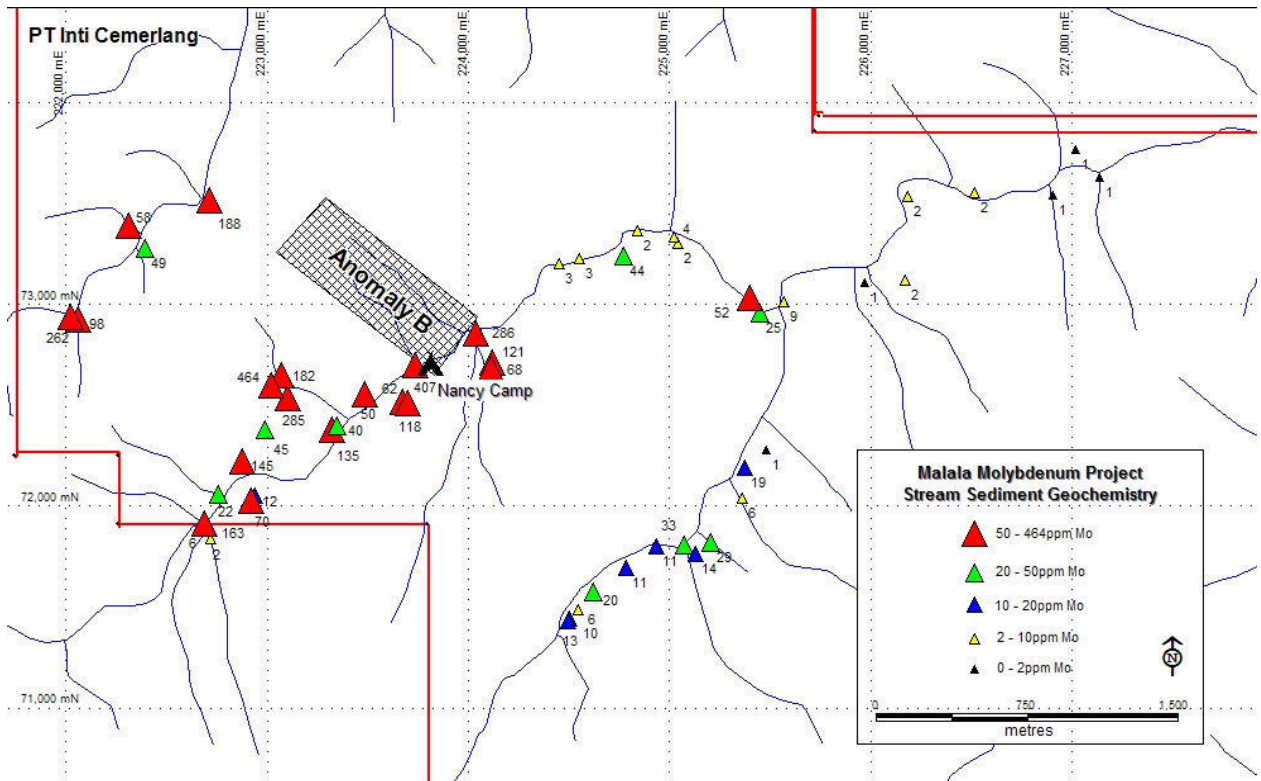


Figure 4 – Stream sediment sample locations and molybdenum results within the Inti Cemerlang KP/IUP. The area shown as “Anomaly B” has not yet been closed off to the north-west, south-east or at depth.

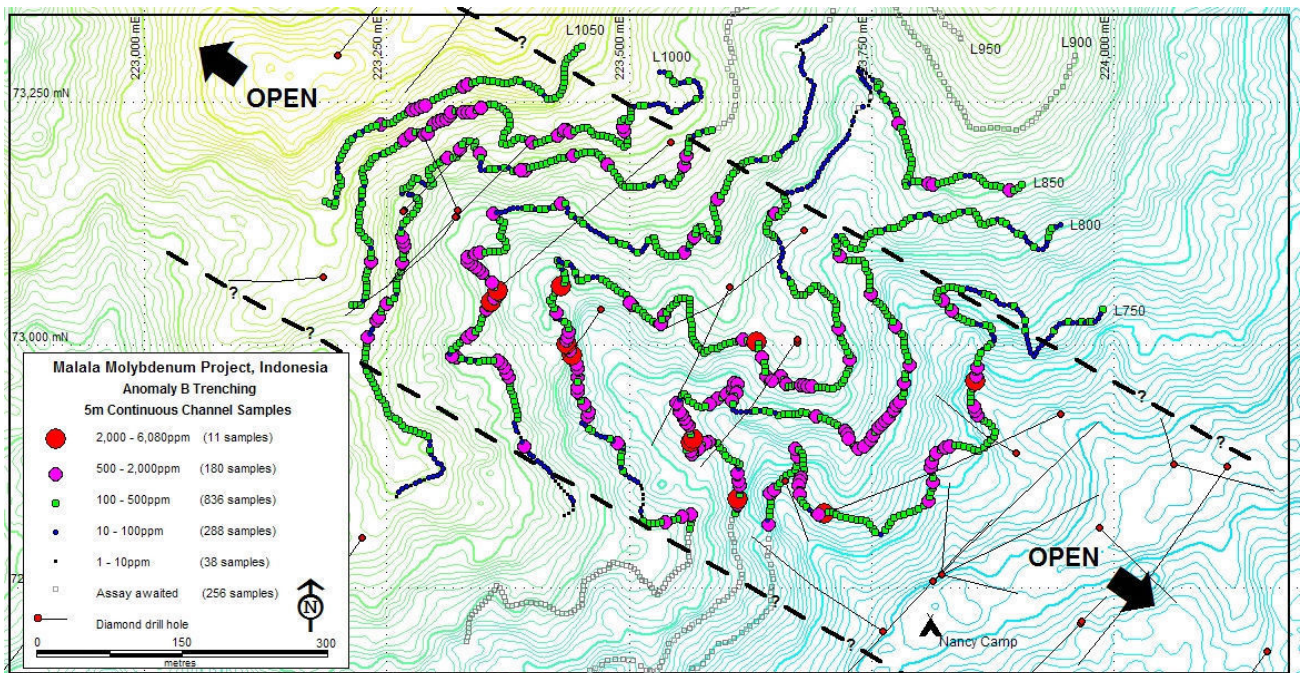


Figure 5 – Anomaly B assay results of 5m composite samples showing long continuous zones of +100ppm Mo (green) with areas of high-grade shown in pink and red. The mineralised corridor is ~350m wide. Recent VWM and historic diamond drill holes are also shown.

Preliminary Metallurgical Testwork

A preliminary stage of metallurgical testwork was undertaken on a 350kg sample of mineralised drill core taken from drill holes M37 and M38 which were drilled by VWM at Anomaly B late in CY2008. The samples were sent to Beijing General Research Institute of Mining & Metallurgy ("BGRIMM") who performed this initial testwork on a laboratory scale. This testwork was performed as part of ongoing scoping studies into the development of the Malala Molybdenum Project.

The testwork consisted of grinding, followed by rougher flotation and seven stage cleaning flotation incorporating two stage re-grind. This process followed conventional molybdenum flotation circuit technology. The head grade of the material tested was 0.11% Mo. Recovery was reported as 89.1%, which appears to be an excellent result.

These results are highly encouraging and suggest that the mineralised material present at Anomaly B can produce a commercially acceptable concentrate product. A significant amount of additional testwork is required to ascertain the metallurgical characteristics of mineralised material across the entire Anomaly B zone. This testwork is expected to be conducted upon completion of further drilling at Anomaly B.

JORC Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserves(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource. In accordance with Clause 18 of the JORC Code, it is important to note that no JORC Mineral Resources or Ore Reserves have been established on these tenements and any current assessment remains subject to ongoing exploration work and drilling. The current interpretation remains preliminary and is based on exploration, evaluation and resource definition work performed by previous owners Rio Tinto and Santos. Victory West Moly have undertaken exploration work including surface mapping, trenching and geochemical surveying (soil, rock and stream sediment geochemistry), geological logging and assaying of diamond drilling and geological modeling within the areas previously defined by Rio Tinto and Santos which is demonstrating results consistent with previous outcomes presented by Rio Tinto and Santos.

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Brett McKay, who is a Member of the Australasian Institute of Geoscientists and an employee of Victory West Moly Limited. Mr McKay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("The JORC Code"). Mr McKay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Victory West Moly Limited support the principles of corporate governance.

The board of directors of Victory West Moly Limited is responsible for the corporate governance of the entity and endorses the need for high standards of corporate governance. The board guides and monitors the business and affairs of Victory West Moly Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Principles of Good Corporate Governance, as recommended by the Australian Stock Exchange Corporate Governance Council, are as follows:

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the board to add value
Principle 3.	Promote ethical and responsible decision-making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risks
Principle 8.	Remunerate fairly and responsibly

The Board has formalized its corporate governance framework which it considers suitable given the size, history and strategy of the Company. The board will keep its corporate governance practices under review and will ensure that the necessary policies are adopted as required by the company.

In accordance with ASX Listing Rule 4.10, Victory West Moly Limited is required to disclose the extent to which it has followed the Principles of Best Practice Recommendations during the financial year. Where Victory West Moly Limited has not followed a recommendation, this has been identified and an explanation for the departure has been given.

PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Formalise and disclose the functions reserved to the board and those delegated to management.

This recommendation is satisfied.

The Company's Board Charter together with updated financial statements will be given to any new Director, all of which will set out details in respect of:

- The Company's financial, strategic and operational position;
- Each Director's rights, duties and responsibilities;
- The role of the Board and Management.

1.2 Disclose the process for performance evaluation of the senior executives.

Given the size of the Company, there are relatively few executives employed by the Company, however each will be subject to an annual performance evaluation. The performance target for each executive is currently aligned to the business targets of the Company in accordance with the position of the relevant executive.

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board. The responsibility for the operation and administration of the Company is delegated, by the Board, to the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the executive management team.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it will in future make use of sub-committees. The Board believes that Specialist committees will be able to focus on a particular responsibility and provide informed feedback to the Board. However at present the company is not of a size to require this.

For example there is currently no Audit Committee as the company is not of a size to require this and the duties normally performed by an audit committee are undertaken by the Board as whole. The company's Auditors attend the Annual general Meeting, at which time they are available to answer shareholder questions in relation to their audit.

Given its size and stage in development, the Board has decided not to establish or to delegate specific authority to a remuneration committee. Responsibilities which would normally be delegated to such committees are performed by the Board as a whole. The remuneration report of the Victory West Moly which includes all directors is included within the Directors' Report. All Directors are remunerated by way of fees only and do not receive options, bonus payments or retirement benefits. Upon retirement, there is no contractual right to further benefits other than statutory superannuation.

The Board fulfils its responsibilities to shareholders which include:

- Ensuring that remuneration policies are appropriate;
- Determining the basis for any incentive schemes for the company (none currently in place);
- Reviewing as required, the compensation arrangements for directors.

PRINCIPLE 2 STRUCTURE THE BOARD TO ADD VALUE

2.1 A majority of the board should be independent directors.

This recommendation is satisfied.

2.2 The chairperson should be an independent director.

This recommendation is satisfied.

2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.

This recommendation is not satisfied. Given the size of the Company and its Board, the Directors consider that any efficiencies achieved by employing a separate chairman and chief executive officer would be minimal, thereby not making such tenures cost effective.

2.4 The board should establish a nomination committee.

This recommendation is not satisfied. Given the size of the Company and its Board, the Directors consider that any efficiency achieved by the establishment of a nomination committee would be minimal, thereby not making establishment cost effective.

2.5 Disclose the process for performance evaluation of the board, its committees and individual directors.

The Director's of the Company otherwise consider that due to the size of the Company and its Board a formal review procedure is not appropriate at this point in time and has instead adopted a self-evaluation process to measure its own performance. A system to fairly review and actively encourage enhanced Board and management effectiveness is being considered.

The need for access to supporting equity and skills as required, and a flexible cost structure are greater imperatives for the Company as an exploration company, than the largely mutually exclusive concept of independence, which is much more relevant to larger corporations with substantial workforces.

However, as the Company moves to become a minerals producer the concept of independence will become more relevant. Whilst the Company will progressively increase the independence of its Directors over time, compliance with the best practice in this area is not considered a current imperative, due to the additional direct cost of employing such Directors, the view that there would not be an increase in Board skills (only independence), and the risk that inefficiency will occur in the Board decision making process whilst the independent Directors become familiar with the company's business.

All assessments as to whether a Director is independent are to be made by the Board in such manner as it determines from time to time. The Company has adapted the definition of independence developed by Investment and Financial Services Association Limited ("IFSA") in its Corporate Governance, A Guide for Fund Managers and Corporations – Blue Book.

The skills, experience and expertise relevant to the position of director held by each Director in office at the date of the annual report is included in the Directors' Report. All Directors currently meet the company's definition of independent.

The Chairman of the Board is responsible for the leadership of the Board, ensuring that board activities are organised and efficiently conducted and for setting the agenda for Board meetings. Under the company's constitution, the maximum term for a director before they must be re-elected by the members is three years.

The Board has not established separate committees for Audit and Risk Management, Remuneration and Nomination. The Company is not of a sufficient size is not of a size, nor is the affairs of a complexity sufficient to warrant the existence of separate committees. All matters which could be delegated to such committees are dealt with by the full Board.

PRINCIPLE 3 PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Establish a code of conduct to guide the directors, the Chief Executive Officer (or equivalent), the Chief Financial Officer (or equivalent) and any other key executives.

This recommendation is satisfied.

3.2 Disclose the policy concerning trading in company securities by Directors, officers and employees.

This recommendation is satisfied.

The Board has adopted a Code of Conduct to guide the Directors, the Chairman and other key executives as to practices necessary to maintain confidence in the Company's integrity and to the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour

Under the Company's Securities Trading Policy, a Director or executive must not trade in any securities of the Company at any time when they are in possession of unpublished, price sensitive information in relation to those securities.

PRINCIPLE 4 SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 The Board should establish an audit committee.

This recommendation is not satisfied. Given the size of the Company and its Board, the full Board reviews audit related matters.

4.2 Structure the audit committee so that it consists of only non-executive Directors, a majority of independent Directors and an independent Chairperson, who is not Chairperson of the Board.
Refer above.

4.3 The audit committee should have a formal charter.

Refer above

The integrity of the Company's financial reporting is a critical aspect of Victory West Moly's corporate governance and structures have been implemented during the reporting period to verify and safeguard the integrity of the Company's financial reporting.

It is the policy of the Board that the Company's financial statements be reviewed or Audited, at a minimum, each half year. The company does not have a formalised audit committee; instead all Directors are responsible for the financial statements.

PRINCIPLE 5 MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

This recommendation is satisfied.

The Company has a comprehensive disclosure policy to comply with the ASX Listing Rules regarding the public disclosure of material information. The aim of this policy is to ensure that the Company release price-sensitive information in a timely manner.

The Company will immediately notify the market by announcement to the ASX of any information concerning the business of the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Information about the Company is regarded as material if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Officers and employees are encouraged not to rely on their judgement and to consult the Company Secretary on whether particular information is considered to be material.

PRINCIPLE 6 RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

This recommendation is satisfied.

The Board respects the rights of all shareholders and, to facilitate the effective exercise of those rights, the Company is committed to effective communication with shareholders. This occurs by electronic ASX releases to the market.

PRINCIPLE 7 RECOGNISE AND MANAGE RISK

7.1 The Board or appropriate Board committee should establish policies on risk oversight and management.

This recommendation is satisfied.

7.2 The Board should require management to design and implement the risk management and internal control systems to manage the company's material business risks and report to it on whether those risks are being managed effectively.

This recommendation is satisfied.

7.3 The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) should receive assurance that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

This recommendation is satisfied.

In all its activities the Company will adopt a structured and consistent approach to risk management.

Risks will be assessed and managed through an overriding policy of identification, assessment, mitigation, monitoring and communication of risks associated with its activities. The overriding policy will be based on the Australian Standard for risk management (AS4360) and will be reviewed regularly against best practice standards and the changing activities of the Company.

The level of risk management will be consistent with the Company's overall business objectives and risk appetite and tolerance.

Risk management and control will be incorporated into property protection, health, safety and environmental audits using either self assessment or outside auditors as the Company deems appropriate.

The Chairman of the Board and the Company Secretary are responsible for the identification and management of business risks. The Board has obtained a written confirmation from the Chairman of the Board and the Company Secretary that the statement in relation to principle 4 above is founded on a sound system of risk management and internal compliance and control.

The Board has obtained a statement confirming that the systems are operating efficiently and effectively in all material respects.

PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

8.1 The Board should establish a remuneration committee.

This recommendation is not satisfied. Given the size of the Company and its Board, the Directors consider that any efficiency achieved by the establishment of a remuneration committee would be minimal, not making establishment cost effective.

8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.

This recommendation is satisfied.

The Board, within the pre-approved shareholder limits, determines fees payable to individual non-executive directors.

The remuneration levels of Executive Director's are determined by the Chairman after taking into consideration those that apply to similar positions in comparable companies in Australia and Directors' possible participation in any equity based remuneration scheme. The Chairman uses industry-wide data gathered by independent remuneration experts annually as his point of reference.

Options or shares issued to Directors pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue.

The remuneration levels of senior executives and other employees are determined by the Board of Directors after taking into consideration those levels that apply to similar positions in comparable companies in Australia and employees' possible participation in any equity based remuneration scheme. The Directors will consult recruitment and remuneration experts and will, where such expenditure is not already in an approved Budget seek Board approval prior to finalising the appointment.

Options or shares issued to senior executives and other employees who are not Directors would be proposed by the Chairman and issued only after approval by the Board.

The policy will be implemented by reviewing, not less than annually, all aspects of the remuneration paid to all employees and executives to ensure that it motivates the pursuit of long-term success, a safe working environment and a culture consistent with the Company's Corporate Governance Policy and is clearly linked to individual and group performance.

Directors' Report

The Directors present their report together with the financial report of Victory West Moly Limited and its controlled entities ("the Company" or "consolidated entity") for the year ended 30 June 2009 and the independent audit report thereon.

The Directors of the company at any time during or since the end of financial year were:

Mr. Steven Pynt LLB MBA

Chairman and Non-Executive Director

Appointed 2 February 1995

After completing his law degree in 1980, Mr. Pynt worked with a law firm for two and a half years before joining a major accounting firm where he worked as a tax consultant. Subsequently, he established his own legal firm that later merged with a medium size Perth firm. Mr. Pynt is a director of McDonald Pynt Lawyers, practising primarily in commercial law.

Currently Mr. Pynt is a non-executive chairman of Richfield International Limited for the last 3.5 years, a director of Gondwana Resources Ltd since the year 2000 and director of Global Health Ltd (formerly Working Systems Solutions Ltd) since the year 2000 and chairman for the past 3 years. All of these companies are listed on the ASX.

Mr. Michael Scivolo

Non-Executive Director

Appointed 5 February 2007

Mr. Scivolo completed a Bachelor of Commerce degree in 1971 and worked with various accounting firms as a tax consultant gaining CPA status in 1972. He became a partner in a medium size Perth practice in 1977 and has extensive experience in accounting and taxation work with corporate and non-corporate entities.

Mr. Scivolo is also a director of Sabre Resources Ltd from 3 October 2006 and was a director of Tiger Resources Ltd from 14 April 1998 to 21 December 2006, both companies are listed on the ASX.

Mr. Wayne Knight

Non-Executive Director

Appointed 3 December 2007

Mr Knight has worked in the financial services industry since 1989 and has a Diploma in Financial Planning 1, 2, 3, 4. He is an Authorised Representative of Tandem Financial Advice Limited and offers services in the areas of personal superannuation planning, managed investments, risk management, rollover and redundancy planning, wealth creation and insurances.

COMPANY SECRETARY

Mr Luke Martino

Company secretary

Appointed 30 November 2007

Mr Martino is a Fellow of the Institute of Chartered Accountants in Australia and a member of the Institute of Company Directors.

His area of expertise includes corporate finance and business growth consulting advice to the mining and resources sector and a wide range of other industries.

Mr Martino is also a Non Executive Director of Nu Energy Capital Limited, Director of Indian Ocean Advisory Group, Director of Indian Ocean Living, Director of WestZone Enterprises Pty Ltd as well as the Company Secretary for Sam's Seafood Holdings Limited.

PRINCIPAL ACTIVITIES

Victory West Moly Limited has acquired the rights to exploration and exploitation of the Malala Molybdenum deposit in Sulawesi, Indonesia. Please see the Review of Operations for further details of this project.

OPERATING RESULTS AND FINANCIAL REVIEW

The loss attributable to members of the parent entity after providing for income tax amounted to \$1,152,503 (2008: \$455,124).

REVIEW OF OPERATIONS

Please see "Review of Operations" section of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the Company successfully changed its business from being an importer and distributor of LCD desktops, memory modules and other associated IT peripherals to that of a major molybdenum exploration company.

The Company successfully changed its name from Richfield Group Limited to Victory West Moly Limited.

FUTURE DEVELOPMENTS

The Company will continue to explore and evaluate its Malala Molybdenum project in Indonesia.

It is not possible to estimate the future results at this stage.

DIVIDENDS

No dividends were paid or declared during the financial year ended 30 June 2009.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In September 2009, the company finalised a \$2,000,000 convertible note offer from Dempsey Resources Limited, a fully owned subsidiary of Cape Lambert Iron Ore Limited. Under the terms of the note, the convertible note holders have the right before the repayment date of 2 years to convert the note into ordinary shares in VWM, subject to the receipt of all necessary approvals, if required. Upon receipt of any conversion notice, VWM will have 90 days to determine whether to consent to the conversion or to purchase that portion of the note requested to be converted. The conversion price will be the higher of \$0.30 per share or volume weighted average closing share price on ASX calculated using the five (5) trading days immediately prior to the issue of a conversion notice by the noteholder. The note carries a coupon rate of 12% interest per annum.

On 25 August 2009, in accordance with requirements under the new and recently enacted Indonesian Mining Law, the company successfully converted the Company's tenements, known as Kuasa Pertambangan's (KP's), into Izin Usaha Pertambangan's (IUP's).

On 2 September 2009, the Company convened a General Meeting of Shareholders. At this meeting, shareholder approved:

- (a) the future allotment of 13,500,000 Ordinary Shares at a price of 25 cents each. At the date of this report, the company has not allotted these shares;
- (b) the future allotment of Ordinary Shares to a total value of \$6,500,000 at a price of no less than 80% of the average 5 day market price of the Company's ordinary shares preceding the allotment date. At the date of this report, the company has not allotted these shares;
- (c) the future allotment and issue 11,900,000 Share Options with an exercise price of 20 cents and expiry date of 24 February 2012 at an issue price of \$0.001. At the date of this report, the company has not allotted these options;
- (d) past allotment and issue of 500,000 Ordinary Shares. These shares were issued on 4 June 2009 and as such, the financial effect of these shares is included in this financial report;
- (e) past allotment and issue of 12 million (12,000,000) Options. These options were allotted on 18 June 2009 and as such, the financial effect of these options is included in this financial report.

On 24 July 2009, the Company entered into a Heads of Agreement with XS Platinum Ltd ("XSP") to acquire all of XSP shares. XSP has a near-term platinum and gold production in Alaska. At this time, the Company was not actively looking for any other projects. The Platinum project was brought to the company and presented as another world class highly profitable project close to production. The Board resolved to proceed to investigate and complete due diligence and comply with the terms of the Heads of Agreement entered into.

During this process it was mutually agreed by both boards that the best way forward was to cease the proposed Heads of Agreement and each board focus on their own projects. The Company lent XSP \$1 million secured against the assets of on commercial terms. This loan is repayable upon the earlier of XSP future capital raisings or February 2010.

No other matter or circumstance has arisen since 30 June 2009 that has significantly affected or may significantly affect:

- a) the group's operations in future financial years;
- b) the results of those operations in future financial years;
- c) or the group's state of affairs in future financial years.

DIRECTORS' & KEY MANAGEMENT PERSONNEL INTERESTS

The relevant interest of each director and key management personnel in the shares, interests in registered schemes and rights or options over such instruments issued by the companies within the consolidated entity and other related bodies corporate, as notified by the directors to the Australian Stock Exchange in accordance with S205G (1) of the *Corporations Act 2001*, at the date of this report is as follows:

	2009		2008 ¹	
	Ordinary Shares	Number of Options over Ordinary Shares	Ordinary Shares	Number of Options over Ordinary Shares
Mr. S Pynt	12,150	-	400	11,650
Mr. M Scivolo	-	-	-	-
Mr W Knight	175,000	-	75,000	-
Mr L Martino	232,609	400,000	5,000	200,000

¹ These amounts have been adjusted to provide a comparative figure assuming that the company had completed its 1 for 20 securities consolidated last year.

MEETINGS OF DIRECTORS

The number of directors' meetings and the number of meetings attended by each of the directors of the company during the financial year are:

Director	Number of meetings eligible to attend	Number of meetings attended during the year
Mr. S Pynt	6	6
Mr. M Scivolo	6	3
Mr W Knight	6	6

In addition there were thirteen (13) Circular Resolutions signed by the directors who were eligible to vote.

SHARE OPTIONS

At the date of this report, there were 53,084,650 listed options and 25,000,000 unlisted options (total 78,084,650) over the unissued ordinary shares of the company.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company.

During or since the end of the financial year, the company has not granted any options over the unissued ordinary shares to the directors of the company.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

REMUNERATION REPORT (AUDITED)

The key management personnel of the company include the Directors and other officers of the Company. The Directors' fees are approved by the Board within the aggregate approved by the shareholders at a general meeting. The fee pool currently stands at \$200,000 as approved at the company's AGM in November 2000. The total remuneration paid to each director was reviewed with effect from 31 January 2008 and was adjusted to \$24,000 per annum. The total remuneration paid to the chairman was reviewed with effect from 31 January 2008 and was adjusted to \$36,000 per annum. The company does not provide retirement benefits, however directors may salary sacrifice an element of their total remuneration to superannuation.

Details of the remuneration of each Director are set out below. These disclosures apply in respect to both the Consolidated Entity and the Parent Entity.

2009	Short-term employment benefits 1 \$	Post-employment benefits 2 \$	Total \$
Directors' Fees			
Steven Pynt - Chairman	-	36,000	36,000
Michael Scivolo	-	24,000	24,000
Wayne Knight	-	24,000	24,000
Company Secretary Fees			
Luke Martino	60,000 3		60,000
Total	60,000	84,000	144,000

¹ Cash salary and fees

² Superannuation

³ These fees were paid to a related entity of Mr L Martino for Company Secretary services.

2008	Short-term employment benefits 1 \$	Post-employment benefits 2 \$	Total \$
Directors' Fees			
Steven Pynt - Chairman	-	22,000	22,000
Michael Scivolo	-	17,000	17,000
Wayne Knight	-	12,000	12,000
Mark Balfour 4	-	5,000	5,000
Company Secretary Fees			
Luke Martino	35,000 3		35,000
Total	35,000	56,000	91,000

¹ Cash salary and fees.

² Superannuation.

³ These fees were paid to a related entity of Mr L Martino for Company Secretary services.

⁴ Mr Mark Balfour resigned as a Non Executive Director on 3 December 2007.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The company's operations are not regulated by any significant environmental regulation under the Law of the Commonwealth or of a State or Territory of Australia. However, the group's operations in Indonesia are subject to environmental regulations under Indonesian laws. The group has a policy of complying with its environmental performance obligations and at the date of this report, it is not aware of any breach of such regulations.

NON-AUDIT SERVICES

During the year, Grant Thornton (WA) Partnership, the company's auditor, performed certain other services in addition to their statutory duties.

The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services were reviewed prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor;
- The nature of the services provided do not compromise the general principals relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

A copy of the lead auditors' independence declaration for the year ended 30 June 2009 has been received and can be found on page 23 of the Annual Report.

Details of the amounts paid and payable to the auditor of the company, Grant Thornton (WA) Partnership for audit and non-audit services provided during the year are set out below:

	Consolidated	
	2009	2008
	\$	\$
Statutory Audit		
Audit and review of financial reports	32,550	16,500
Other Services		
Taxation compliance services	-	-
Other services	-	4,232
	32,550	20,732

AUDITOR

Grant Thornton (WA) Partnership continues in office in accordance with Section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Board of Directors.



Mr Steven Pynt

Director

Dated in PERTH this 30th day of September 2009


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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF VICTORY WEST MOLY LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Victory West Moly Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



M J Hillgrove
Partner

Perth, 30 September 2009

10 Kings Park Road
West Perth WA 6005
PO BOX 570
West Perth WA 6872

**Independent Auditor's Report
To the Members of Victory West Moly Limited**

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Report on the Financial Report

We have audited the accompanying financial report of Victory West Moly Limited, (the company) which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

Grant Thornton (WA) Partnership ABN 17 735 344 518, a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389.

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation.

entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we complied with applicable independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- a the financial report of Victory West Moly Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Significant uncertainty regarding continuation as a going concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(q) in the financial report which indicates that the company and consolidated entity incurred a net loss of \$1,075,110 and \$1,152,503 respectively during the year ended 30 June 2009. These conditions, along with other matters as set forth in Note 1(q), indicate the existence of a material uncertainty which may cast significant doubt about the company and the consolidated entity's ability to continue as a going concern and whether they will realize their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 21 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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Auditor's opinion

In our opinion the Remuneration Report of Victory West Moly Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.



GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



M J HILLGROVE
Partner

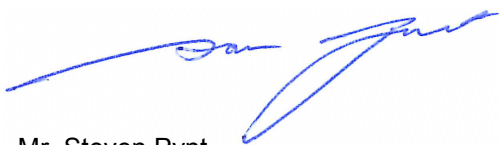
Perth, 30 September 2009

Directors' Declaration

In accordance with a resolution of the directors of Victory West Moly Limited, I declare that:

1. In the opinion of the Directors:
 - a. the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - ii. complying with Accounting Standards and *Corporation 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 due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2009.

On behalf of the Board



Mr. Steven Pynt

Director

Dated in PERTH this 30th day of September 2009

Income Statements - For the Year Ended 30 June 2009

	NOTE	CONSOLIDATED ENTITY		PARENT ENTITY	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue	4	46,581	32,699	35,808	32,699
Depreciation and amortisation expense		(4,489)	(9,324)	(3,830)	(9,324)
Impairment Expense		(103,172)	-	-	-
Other expenses from ordinary activities	5	(1,122,652)	(478,499)	(1,107,088)	(468,409)
Loss before income tax expense		(1,183,732)	(455,124)	(1,075,110)	(445,034)
Income tax expense	6	-	-	-	-
Loss for the year		(1,183,732)	(455,124)	(1,075,110)	(445,034)
Loss attributable to:					
Minority Interest		(31,229)	-	-	-
Members of the parent entity		(1,152,503)	(455,124)	(1,075,110)	(445,034)
Earnings per share for loss attributable to the ordinary equity holders of the company:					
		CENTS	CENTS		
Basic earnings per share (loss)	9	(0.0199)	(0.0159)		
Diluted earnings per share (loss)	9	(0.0199)	(0.0106)		

The accompanying notes form part of these financial statements.

Balance Sheets - As at 30 June 2009

	NOTE	CONSOLIDATED ENTITY		PARENT ENTITY	
		2009 \$	2008 \$	2009 \$	2008 \$
CURRENT ASSETS					
Cash & cash equivalents	10	1,807,232	2,271,884	1,713,091	2,270,798
Trade & other receivables	11	268,347	8,030	271,740	8,030
Prepayments		20,758	-	20,758	-
TOTAL CURRENT ASSETS		2,096,337	2,279,914	2,005,589	2,278,828
NON CURRENT ASSETS					
Receivables	12	341,156	1,097,890	4,431,598	1,097,890
Property, plant & equipment	14	6,577	-	-	-
Exploration & evaluation expenditure	13	12,952,885	-	189,156	-
Financial assets	15(a)(b)	9,224	13,054	8,812,999	13,054
TOTAL NON CURRENT ASSETS		13,309,842	1,110,944	13,433,753	1,110,944
TOTAL ASSETS		15,406,179	3,390,858	15,439,342	3,389,772
CURRENT LIABILITIES					
Trade & other payables	17	345,998	91,611	156,151	48,879
TOTAL CURRENT LIABILITIES		345,998	91,611	156,151	48,879
TOTAL LIABILITIES		345,998	91,611	156,151	48,879
NET ASSETS		15,060,181	3,299,247	15,283,191	3,340,893
EQUITY					
Issued capital	18	11,752,989	12,688,143	11,752,989	12,688,143
Reserves	19(a)(b)	4,749,377	5,542	4,952,561	-
Accumulated losses	20	(1,546,941)	(9,394,438)	(1,422,359)	(9,347,250)
Parent interest		14,955,425	3,299,247	15,283,191	3,340,893
Minority interest		104,756	-	-	-
TOTAL EQUITY		15,060,181	3,299,247	15,283,191	3,340,893

The accompanying notes form part of these financial statements.

Statements of Changes in Equity - For the Year Ended 30 June 2009

	NOTE	ISSUED CAPITAL	FOREIGN CURRENCY TRANSLATION	OPTION RESERVE	OUTSIDE EQUITY INTEREST	ACCUMULATED LOSSES	TOTAL
CONSOLIDATED ENTITY							
Balance at 1 July 2007		9,223,096	(2,217)	-	-	(8,939,314)	281,565
Contributions of equity, net of transaction costs		3,465,047	-	-	-	-	3,465,047
Adjustments from translation of foreign controlled entities	19	-	7,759	-	-	-	7,759
Loss attributable to members of parent entity	20	-	-	-	-	(455,124)	(455,124)
Balance at 30 June 2008		12,688,143	5,542	-	-	(9,394,438)	3,299,247
Reduction of capital		(9,000,000)	-	-	-	9,000,000	-
Reallocation of reserves		(534,176)	-	534,176	-	-	-
Contributions of equity, net of transaction costs		2,599,022	-	41,085	-	-	2,640,107
Contributions of equity, net of transaction costs		6,000,000	-	4,377,300	-	-	10,377,300
Recognition of outside equity interest		-	-	-	104,756	-	104,756
Adjustments from translation of foreign controlled entities	19	-	(208,726)	-	-	-	(208,726)
Loss attributable to members of parent entity	20	-	-	-	-	(1,152,503)	(1,152,503)
Balance at 30 June 2009		11,752,989	(203,184)	4,952,561	104,756	(1,546,941)	15,060,181
PARENT ENTITY							
Balance at 1 July 2007		9,223,096	-	-	-	(8,902,216)	320,880
Contributions of equity, net of transaction costs		3,465,047	-	-	-	-	3,465,047
Loss attributable to members of parent entity	20	-	-	-	-	(445,034)	(445,034)
Balance at 30 June 2008		12,688,143	-	-	-	(9,347,250)	3,340,893
Reduction of capital		(9,000,000)	-	-	-	9,000,000	-
Reallocation of reserves		(534,176)	-	534,176	-	-	-
Contributions of equity, net of transaction costs		2,599,022	-	41,085	-	-	2,640,107
Recognition of equity based payments		6,000,000	-	4,377,300	-	-	10,377,300
Loss attributable to members of parent entity	20	-	-	-	-	(1,075,109)	(1,075,109)
Balance at 30 June 2009		11,752,989	-	4,952,561	-	(1,422,359)	15,283,191

The accompanying notes form part of these financial statements.

Cash Flow Statements - For the Year Ended 30 June 2009

	NOTE	CONSOLIDATED ENTITY		PARENT ENTITY	
		2009 \$	2008 \$	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,311,740)	(434,831)	(1,082,314)	(432,529)
Interest received		33,838	27,268	33,838	27,268
Net cash (used in) operating activities	23	(1,277,902)	(407,563)	(1,048,476)	(405,261)
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans to controlled entities		-	-	(3,643,688)	-
Payment for purchase of assets		(7,185)	-	-	-
Payments for exploration and evaluation		(3,454,472)	-	(140,450)	-
Advance to other entities		(500,000)	(1,097,890)	(500,000)	(1,097,890)
Repayment from other entities		300,000	-	300,000	-
Net cash (used in) investing activities		(3,661,657)	(1,097,890)	(3,984,138)	(1,097,890)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		4,767,739	3,445,104	4,767,739	3,445,104
Share issue transaction costs		(292,832)	(86,639)	(292,832)	(86,639)
Net cash provided by financing activities		4,474,907	3,358,465	4,474,907	3,358,465
Net increase/(decrease) in cash and cash equivalents		(464,652)	1,853,012	(557,707)	1,855,314
Cash and cash equivalents at the beginning of the financial year		2,271,884	418,872	2,270,798	415,484
Effect of exchange rates on cash holdings in foreign currencies		-	-	-	-
Cash and cash equivalents at the end of the financial year	10	1,807,232	2,271,884	1,713,091	2,270,798

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the Accounts - For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies

The financial report covers the consolidated entity of Victory West Moly Limited and controlled entities, and Victory West Moly Limited as an individual parent entity. Victory West Moly Limited is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New Accounting Standards and Interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

- Revised AASB 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Group's operations:
 - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations
 - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss
 - Transaction costs, other than share and debt issue costs, will be expensed as incurred
 - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss
 - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 127, AASB 134, AASB 136, AASB 1029 & AASB 1028] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Company's Board for the purposes of decision making. The Board has determined that this standard will not have any impact on the Company as there are no additional operating segments on which to report.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- Amended AASB 127 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Group's 31 December 2009 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.
- Interpretation 16 Hedges of a Net Investment in a Foreign Operation clarifies that net investment hedging can only be applied when the net assets of the foreign operation are recognised in the entity's consolidated financial statements. Interpretation 16 will become mandatory for the Group's 31 December 2009 financial statements.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Victory West Moly Limited ("company" or "parent entity") as at 30 June 2009 and the results of all controlled entities for the year then ended. Victory West Moly Limited and its controlled entities together are referred to in this financial report as the "consolidated entity" or "group".

Subsidiaries are all those entities over which the company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the company.

All inter-Company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

If applicable, minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant & Equipment

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Office Furniture	6% - 20%
Office Equipment	12.5% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

f. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- i. the rights to tenure of the area of interest are current; and*
- ii. at least one of the following conditions is also met:*
 - a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or*
 - b. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.*

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

h. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary consolidated environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

i. Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

j. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

k. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

m. Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

n. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

o. Earnings Per Share

- Basic earnings per share : Basic earnings per share is determined by dividing the net loss attributable to equity holders of the company, by the weighted average number of ordinary shares outstanding during the year.
- Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q. Going Concern

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities. Whilst acknowledging the inherent uncertainties of progressing to production mining operation, the Directors consider this to be appropriate.

Whilst continued growth is dependent on the Company successfully obtaining new funding in what are challenging capital markets the Directors are confident that the consolidated entity will be able to continue its operations into the foreseeable future.

The Directors will continue to monitor the capital requirements on a go forward basis. This may include additional capital raisings in future periods or debt funding.

r. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s. Critical Accounting Estimates and Judgments

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and intangibles with indefinite useful lives:

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recovered or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at \$13.1m.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

2 Financial Risk Management Policies

The group's principal financial instruments comprise mainly of deposits with banks, receivables, payables and available for sale investments.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

a. Treasury Risk Management

Due to the size of the company, responsibility for identification and control of financial risks rests with the Board of Directors. This includes the use of hedging derivative instruments, credit risk policies and future cash flow requirements. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

b. Financial Risk Exposures and Management

The group's activities expose it to financial risks, market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Where relevant and appropriate, the company will avail itself of appropriate hedging instruments in future financial years.

c. Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

As a result of significant operations in Indonesia a large purchase of services in United States Dollars (a number of Indonesian contractors use United States Dollars), the Group's balance sheet can be effected significantly by movements in the US\$/A\$ exchange rates. The Group also has transaction currency exposure. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.

At 30 June 2009, the Group had the following exposure to US\$ foreign currency:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
FINANCIAL ASSETS				
Cash and cash equivalents	92,936	-	-	-
Trade & other receivables	341,156	-	-	-
Loans to other entities	-	819,178	4,290,917	819,178
	434,092	819,178	4,290,917	819,178
FINANCIAL LIABILITIES				
Trade and other payables	(20,760)	-	-	-
Net exposure	413,332	819,178	4,290,917	819,178

The Parent has a loan with a related entity during the 2009 year in US currency. This loan is not expected to be repaid as the entity has formed part of the consolidated group.

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date:

At 30 June 2009, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	POST TAX PROFIT		EQUITY	
	HIGHER/(LOWER)	HIGHER/(LOWER)	HIGHER/(LOWER)	HIGHER/(LOWER)
	2009 \$	2008 \$	2009 \$	2008 \$
Consolidated				
AUD/USD +10%	7,218	81,918	34,115	-
AUD/USD - 5%	(3,609)	(40,959)	(17,058)	-

Parent

AUD/USD +10%	-	81,918	429,092	-
AUD/USD - 5%	-	(40,959)	(214,546)	-

The movements in profit in 2009 are more sensitive for the parent entity than in 2008 due to the higher level of US Dollar receivables at balance date. Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

a. Fair Value Interest Rate Risk

Refer to (d) below.

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Consolidated Entity did not have any material credit risk exposure to any single debtor or group of debtors at balance date.

c. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to fund the Consolidated Entity's activities. The directors regularly monitor the company's cash position and on an on-going basis consider a number of strategic initiatives to ensure that adequate funding continues to be available.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. The undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2009.

The remaining contractual maturities of the Group's and parent entity's financial liabilities are:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
6 months or less	-	-	-	-
6-12 months	-	-	-	-
1-5 years (Note 21)	-	-	7,270,338	1,180,822
Over 5 years	-	-	-	-
Net exposure	-	-	7,270,338	1,180,822

Maturity analysis of financial assets and liability based on management's expectation.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of the day to day operations of the group. These assets are considered in the group's overall liquidity risk.

YEAR ENDED 30 JUNE 2009	≤ 6 MONTHS \$	6-12 MONTHS \$	1-5 YEARS \$	> 5 YEARS \$	TOTAL \$
CONSOLIDATED FINANCIAL ASSETS					
Cash and cash equivalents	1,807,232	-	-	-	1,807,232
Trade and other receivables	268,347	-	341,156	-	609,503
Available for sale financial assets	-	9,224	-	-	9,224
	2,075,579	9,224	341,156	-	2,425,959
CONSOLIDATED FINANCIAL LIABILITIES					
Trade and other payables	181,159	140,607	-	-	321,766
	181,159	140,607	-	-	321,766

d. Cash Flow and Fair Value Interest Rate Risk

Due to the company's significant holding of cash and cash equivalents, the group's income and operating cash flows are materially exposed to changes in market interest rates.

At balance date, the group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
FINANCIAL ASSETS				
Cash and cash equivalents	1,807,232	2,271,884	1,713,091	2,270,798
Net exposure	1,807,232	2,271,884	1,713,091	2,270,798

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	POST TAX PROFIT		EQUITY	
	HIGHER/(LOWER)		HIGHER/(LOWER)	
	2009 \$	2008 \$	2009 \$	2008 \$
Consolidated				
AUD/USD + 1% (100 basis points)	8,580	7,675	-	-
AUD/USD - .5% (50 basis points)	(4,290)	(3,837)	-	-
Parent				
AUD/USD + 1% (100 basis points)	8,580	7,675	-	-
AUD/USD - .5% (50 basis points)	(4,290)	(3,837)	-	-

The movements in profit are due to higher/lower interest costs from variable rate cash balances.

e. Price Risk

The Group's exposure to commodity and equity securities price risk is minimal at present.

Equity securities price risk arises from investments in equity securities. The company has one investment in a listed equity which is publicly traded.

The price risk for both listed and unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

f. Net Fair Values

The net fair values of:

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value
- Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps.

Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

Assets and liabilities where the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade receivables and payables, have not been adjusted to fair value.

	2009		2008	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$	\$	\$	\$
FINANCIAL ASSETS				
Available-for-sale financial assets	9,224	9,224	13,054	13,054
Loans & receivables	-	-	8,030	8,030
	9,224	9,224	21,084	21,084
FINANCIAL LIABILITIES AT AMORTISED COST				
Other payables and amounts due	302,908	302,908	65,442	65,442
	302,908	302,908	65,442	65,442

3 Segment Information

Description of segments

Geographical segments

The Group's geographical segments are determined based on the location of the Group's assets.

Australia

The home country of the parent entity and the corporate head office is Australia.

Indonesia

The area of operation in Indonesia segment is the evaluation and exploration of the group's Molybdenum projects in Indonesia.

Business Segments

The group's only business segment is the evaluation and exploration of its Molybdenum project in Indonesia.

Primary reporting format – geographical segments

The following table presents revenue, expenditure and certain asset information regarding geographical segments for the year ended 30 June 2009. There is no reportable segment information for the year ending 30 June 2008 as the consolidated entity did not undertake any business activity during this financial year and accordingly, did not derive revenues from sales to external customers.

Year ended 30 June 2009	Australia	Indonesia	Total
Segment result	\$	\$	\$
Other revenue	35,808	10,773	46,581
Total Revenue	35,808	10,773	46,581
Segment result	(1,075,109)	(108,623)	(1,183,732)
Loss before income tax			
Unallocated revenue less unallocated expenses			-
Loss before income tax			(1,183,732)
Income tax expense for the year			-
Loss of the year			(1,183,732)
	Australia	Indonesia	Total
	\$	\$	\$
Segment assets and liabilities			
Segment assets	10,994,209	4,461,970	15,406,179
Unallocated Assets			-
Total assets			15,406,179
Segment liabilities	(325,238)	(20,760)	(345,998)
Unallocated Liabilities			-
Total Liabilities			(345,998)
Other segment information			
Depreciation and amortisation expense	-	(659)	(659)
Impairment Expense	-	(103,712)	(103,712)

4 Revenue

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Interest received	35,808	32,699	35,808	32,699
Foreign currency benefit	10,773	-	-	-
Total revenue	46,581	32,699	35,808	32,699

5 Expenses

Expenses includes the following specific items:	CONSOLIDATED ENTITTY		PARENT ENTITTY	
	2009 \$	2008 \$	2009 \$	2008 \$
Listing Fees	(64,125)	-	(64,125)	-
Consultancy fees	(419,805)	(103,950)	(419,805)	(103,950)
Director & Secretary fees	(144,000)	(56,000)	(144,000)	(56,000)
Insurance	(9,757)	-	(9,757)	-
Legal fees	(77,765)	(20,320)	(77,765)	(20,320)
Office maintenance	-	-	-	-
Management service fees	-	(56,009)	-	(56,009)
Professional services fees	(270,803)	(114,289)	(270,803)	(114,289)
Share registry fees	(76,439)	(85,179)	(76,439)	(85,179)
Travel costs	(16,802)	-	(16,802)	-
Other expenses	(43,156)	(42,752)	(27,592)	(32,662)
	(1,122,652)	(478,499)	(1,107,088)	(468,409)

6 Income Tax Expense

Reconciliation of income tax expense to prima facie tax payable

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Loss from ordinary activities before income tax expense	(1,183,732)	(455,124)	(1,075,110)	(445,034)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2008: 30%)	(355,120)	(136,537)	(322,533)	(133,510)
Tax effect of amounts which are taxable (deductible) in calculating taxable income:				
- non-deductible expenditure	1,200	(410)	1,200	(410)
- accrued interest receivable	(591)	(1,933)	(591)	(1,933)
- impairment expenses	1,149	2,797	1,149	2,797
- transaction costs on equity issue	(6,936)	(7,495)	(6,936)	(7,495)
- capitalised legal fees	23,329	6,000	23,329	6,000
- capitalised consulting fees	49,695	31,185	49,695	31,185
- prior year adjustment	-	(9,396)	-	(9,396)
	(287,274)	(115,789)	(254,687)	(112,762)
Deferred tax assets not recognised	287,274	115,789	254,687	112,762
Income tax expense	-	-	-	-
Unused tax losses for which no deferred tax asset has been recognised	3,386,271	2,429,011	3,002,107	2,153,469
Potential Tax Benefit at 30%	1,015,881	728,703	900,632	646,041

The potential tax benefit will only be obtained if:

- i. *The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;*
- ii. *The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and*
- iii. *No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.*

7 Key Management Personnel Disclosures

Names and positions of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management Person

Mr Steven Pynt	Chairman, Non-executive Director
Mr Michael Scivolo	Non-executive Director
Mr Wayne Knight	Non-executive Director
Mr Luke Martino	Company Secretary

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Compensation				
Post Employment Benefits*	144,000	91,000	144,000	91,000
	<u>144,000</u>	<u>91,000</u>	<u>144,000</u>	<u>91,000</u>

*The directors have elected to salary sacrifice their fees to superannuation

The company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report.

Company Secretarial fees are paid to a related party of Mr Luke Martino.

(b) Option holdings

Number of options held by Key Management Personnel					
	Balance 1 Jul 08	Received as Compensation	Consolidation Effect ¹	Net Change Other ²	Balance 30 Jun 09
Mr S Pynt	233,000	-	(221,350)	(11,650)	-
Mr M Scivolo	-	-	-	-	-
Mr W Knight	-	-	-	-	-
Mr L Martino	4,000,000	-	(3,800,000)	200,000	400,000
Total	<u>4,233,000</u>	<u>-</u>	<u>(4,021,350)</u>	<u>188,350</u>	<u>400,000</u>

	Balance 1 Jul 07	Received as Compensation	Consolidation Effect ¹	Net Change Other ²	Balance 30 Jun 08
Mr S Pynt	-	-	N/A	233,000	233,000
Mr M Scivolo	-	-	N/A	-	-
Mr W Knight	-	-	N/A	-	-
Mr L Martino	-	-	N/A	4,000,000	4,000,000
Total	<u>-</u>	<u>-</u>	<u>N/A</u>	<u>4,233,000</u>	<u>4,233,000</u>

¹ During the period the company completed a 1 for 20 consolidation of its securities.

² These options held by Mr S Pynt expired on 21 May 2009. Leading up to their expiration, Mr S Pynt converted these options into ordinary shares in accordance with the terms of the options.

(c) Shareholdings**Number of Shares held by Key Management Personnel**

	Balance 1 Jul 08	Received as Compensation	Consolidation Effect	Net Change Other	Balance 30 Jun 09
Mr S Pynt	8,000	-	(7,600)	11,750	12,150
Mr M Scivolo	-	-	-	-	-
Mr W Knight	1,500,000	-	(1,425,000)	100,000	175,000
Mr L Martino	100,000	-	(118,750)	251,359	232,609
Total	1,608,000	-	(1,551,350)	363,109	419,759

Number of Shares held by Key Management Personnel

	Balance 1 Jul 07	Received as Compensation	Consolidation Effect ¹	Net Change Other	Balance 30 Jun 08
Mr S Pynt	8,000	-	N/A	-	8,000
Mr M Scivolo	-	-	N/A	-	-
Mr W Knight	-	-	N/A	1,500,000	1,500,000
Mr L Martino	-	-	N/A	100,000	100,000
Total	8,000	-	N/A	1,600,000	1,608,000

*Please note that the above table is before the 1 for 20 consolidation of the company's securities.

Shareholdings of key management personnel include those that have been disclosed under representation made to them by the parties within the AASB 124 - Related Party Disclosures. The key management personnel have relied upon the representations made as they have no control or influence over the financial affairs of the personally related entities to substantiate the shareholdings declared. When a personally related entity declines to provide shareholding details, the shareholding of that personally related entity is assumed to be nil.

8 Auditors' Remuneration

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009	2008	2009	2008
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing of financial reports	32,550	16,500	32,550	16,500
- Taxation compliance services	-	-	-	-
- Corporate advisory services	-	-	-	-
- Other services	-	4,232	-	4,232
Remuneration of other auditors of subsidiaries for:				
Remuneration of the auditor of the subsidiary entity for:				
- Auditing or reviewing of financial reports	11,754	-	-	-

9 Earnings per share

Loss attributable to ordinary equity holders	(1,152,503)	(455,124)
Earnings used to calculate basic and diluted EPS	(1,152,503)	(455,124)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	57,728,000	28,463,208
Weighted average number of options outstanding	-	14,471,095
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	57,728,000	42,934,303

10 Cash and Cash Equivalents

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Cash at bank and in hand	1,807,232	2,271,884	1,713,091	2,270,798

Cash at bank is comprised of "at-call" funds attracting a floating rate of interest of between 0.01% and 5.1%.

Reconciliation of Cash

Cash at the end of the financial year as per statements of cash flows is reconciled to items in the balance sheet as follows:

Cash and at bank and in hand	1,807,232	2,271,884	1,713,091	2,270,798
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11 Trade and other Receivables

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Trade receivables	206,560	24,186	-	-
Provision for doubtful debts	-	(24,186)	-	-
Other receivables	61,787	8,030	271,740	8,030
Amount receivable from:				
Loans to subsidiaries	-	-	136,423	136,423
Less: Provision for non-recovery	-	-	(136,423)	(136,423)
	268,347	8,030	271,740	8,030

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter party other than those receivables specifically provided for and mentioned in Note 11. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia and Indonesia given the substantial operations in those regions. The Group's exposure to credit risk for receivables at reporting date in those regions is as follows:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Australia	268,347	8,030	271,740	8,030
Indonesia	-	-	-	-
	<u>268,347</u>	<u>8,030</u>	<u>271,740</u>	<u>8,030</u>

12 Non current Trade and Other Receivables

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Other Receivables	341,156	-	-	-
Related Parties Loans	-	1,097,890	4,431,598	1,097,890
	<u>341,156</u>	<u>1,097,890</u>	<u>4,431,598</u>	<u>1,097,890</u>

Victory West Moly Limited made advance payments to Indonesian entities that hold interests and mining rights in Indonesia. These include loans to Victory West Pty Ltd of \$140,681 and to a subsidiary of Victory West Pty Ltd, PT Sulawesi Molybdenum Management for \$4,290,917.

During the year, the Company obtained a 75% interest in Victory West Pty Ltd. These related loans will form part of the consolidated group. The ultimate recoverability of these loan funds will depend upon the successful exploitation and on the sale of the interests and mining rights in Indonesia.

Other receivables represent amounts owing from minority shareholders in the Indonesian Group. The ultimate recoverability of these funds will depend upon the successful exploitation and on the sale of the interests and mining rights in Indonesia.

13 Deferred Exploration And Evaluation Expenditure

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Opening balance	-	-	-	-
Increase for expenditure incurred on acquisition	8,603,224	-	-	-
Increase for expenditure incurred	4,452,833	-	189,156	-
Decrease for expenditure impaired	(103,172)	-	-	-
Balance at 30 June 2009	12,952,885	-	189,156	-

During the period, the Group decided to convert five of its six KP's into IUP's, relinquishing the PT Satria Mas KP as it is located within the water supply catchment of the Toli Toli township. Exploration and Evaluation costs associated with this concession have been impaired.

The Directors' assessment of the carrying amount was after consideration of prevailing market conditions; previous expenditure carried out on the tenements, and the potential mineralization based on both the entity's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by successful commercial development or the sale of the whole, or part, of the Group's interests in those areas for an amount at least equal to the carrying value. There may exist, on the Group's exploration properties, areas subject to environmental regulations and laws. The Group has a policy of complying with its environmental performance obligations and at the date of this report, it is not aware of any breach of such regulations.

14 Property Plant & Equipment

Consolidated group	Office equipment	Total
	\$	\$
Balance at 1 July 2007	-	-
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at 30 June 2008	-	-
Additions through acquisition of entity	7,184	7,184
Disposals	-	-
Depreciation expense	(607)	(607)
Balance at 30 June 2009	6,577	6,577

15 Other Financial Assets

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Available-for-sale financial assets comprise				
(i) Listed Investments, at fair value	9,224	13,054	9,224	13,054
- Shares in Australian listed corporations				
Total available-for-sale financial assets	9,224	13,054	9,224	13,054

The fair value of listed investments are determined in whole by reference to the quoted market bid price at balance date. In the 2009 year this adjustment recognised an expense of \$3,830 (2008: \$9,324) in the profit and loss.

(b) Shares in other controlled entities

(ii) Unlisted

Eastern Prime Pte Ltd

The company has no principal activity as it is dormant and does not trade.

A controlled entity of Victory West Moly Limited

Victory West Moly Limited has a 100% interest in Eastern Prime Pte Ltd

Investment at cost	-	-	15,000	15,000
Less: Impairment to recoverable amount	-	-	(15,000)	(15,000)

Victory West Pty Ltd

The company has no principal activity as it is Dormant and does not trade.

A controlled entity of Victory West Moly Limited

Victory West Moly Limited has a 75% interest in Victory West Pty Ltd

Investment cost	-	-	8,803,775 ¹	-
Less: Impairment to recoverable amount	-	-	-	-

Advanz International Pte Ltd

The company has no principal activity as it is dormant and does not trade.

A controlled entity of Victory West Moly Limited

Victory West Moly Limited has a 100% interest in Advanz International Pte Ltd

Investment at cost	-	-	8,000	8,000
Less: Impairment to recoverable amount	-	-	(8,000)	(8,000)
Total shares in other related parties	-	-	8,803,775	-

Balance at 30 June 2009	9,224	13,054	8,812,999	13,054
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The fair value equals the carrying value for the shares in unlisted companies, Eastern Prime Pte Ltd, Advanz International Pte Ltd and Victory West Pty Ltd.

Eastern Prime Pte Ltd and Advanz International Pte Ltd are wholly owned subsidiaries of Victory West Moly Limited and are dormant and do not trade. There is currently no market for these shares and as the companies are dormant and do not trade it is likely that these companies will be wound up in a future period.

¹During the year, the Company acquired 75% of the Victory West Pty Ltd, an unlisted private company based in Australia which holds an indirect 95% interest in Indonesian molybdenum exploration concessions. Please refer to the company's earlier ASX announcements regarding this matter. This project represented the target strategy of the Board that at the time was looking for world class assets that required exploration and development to be undertaken by the Company. The total cost of the acquisition was \$8,803,775. As consideration, the Company paid a cash payment of US\$230,000 (A\$261,275) and has issued 500,000,000 fully paid ordinary shares (pre 1 for 20 consolidation) with a fair value of 1.2 cents each (being the latest published price of the company's shares) together with the issue of 500,000,000 options (pre 1 for 20 consolidation) at a fair market price of \$2,542,500 (please see note 18 and 19(b)).

The recoupment of the investment in Victory West Pty Ltd and the Group is dependent on the successful development and commercial exploitation or sale of the Group's molybdenum project in Indonesia.

16 Controlled Entities

The Consolidated Entity incorporates the assets, liabilities and results of the following companies:

	Country of Incorporation	Class of Shares	Percentage Interest	
			2009	2008
			%	%
Victory West Moly Limited (Parent Entity)	Australia	Ordinary		
Eastern Prime Corporation Pte Ltd	Singapore	Ordinary	100	100
Advanz International Pte Ltd	Singapore	Ordinary	100	100
Victory West Pty Ltd	Australia	Ordinary	75	-
PT Sulawesi Molybdenum Management	Indonesian	Ordinary	71.25	-
PT Inti Cemerlang ¹	Indonesian	N/A ¹	71.25	-
PT Era Moreco ¹	Indonesian	N/A ¹	71.25	-
PT Indo Surya Moreco ¹	Indonesian	N/A ¹	71.25	-
PT Sembilan Sumber Mas ¹	Indonesian	N/A ¹	71.25	-
PT Satria Mas ¹	Indonesian	N/A ¹	71.25	-
PT Promistis ¹	Indonesian	N/A ¹	71.25	-

¹. Through a number of agreements, Victory West Pty Ltd has a 95% interest in the operations and assets of these companies and has the power to govern the financial and operating policies of these companies.

17 Trade and Other Payables**Unsecured liabilities**

Trade payables	200,017	65,442	133,151	22,710
Sundry payables and accrued expenses	24,232	26,169	23,000	26,169
Other payables	121,749	-	-	-
	<u>345,998</u>	<u>91,611</u>	<u>156,151</u>	<u>48,879</u>

18 Contributed equity

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
90,044,344 (2008: 828,223,865) fully paid ordinary shares	11,752,989	12,688,143	11,752,989	12,688,143
	<u>11,752,989</u>	<u>12,688,143</u>	<u>11,752,989</u>	<u>12,688,143</u>
a) Ordinary Shares				
At the beginning of the reporting period	12,688,143	9,223,096	12,688,143	9,223,096
Share placement (i)	2,090,375	-	2,090,375	-
Issue of shares(ii)	6,000,000	-	6,000,000	-
Issue of shares (iii)	105,000	-	105,000	-
Share placement (iv)	100,000	-	100,000	--
Transaction costs cash	(292,832)	(86,639)	(292,832)	(86,639)
Transaction costs non-cash	(1,834,800)	-	(1,834,800)	-
Option rights issue placement	-	534,176	-	534,176
Reallocation of reserves	(534,176)	-	(534,176)	-
Option rights conversions	2,431,279	2,910,478	2,431,279	2,910,478
'In specie' distribution	-	107,032	-	107,032
Reduction of capital	(9,000,000)	-	(9,000,000)	-
At reporting date	<u>11,752,989</u>	<u>12,688,143</u>	<u>11,752,989</u>	<u>12,688,143</u>
	No. Shares	No. Shares	No. Shares	No. Shares
At the beginning of reporting period	828,223,865	534,176,013	828,223,865	534,176,013
Share placement (i)	209,037,516	3,000,000	209,037,516	3,000,000
Issue of shares pre consolidation (ii)	500,000,000	-	500,000,000	-
Option conversion pre consolidation	9,016,430	-	9,016,430	-
Reduction due to Consolidation (v)	(1,468,964,044)	-	(1,468,964,044)	-
Issue of shares post consolidation (iii)	525,000	-	525,000	-
Share placement (iv)	500,000	-	500,000	-
Option conversions	11,705,577	291,047,852	11,705,577	291,047,852
At reporting date	<u>90,044,344</u>	<u>828,223,865</u>	<u>90,044,344</u>	<u>828,223,865</u>

- (i) During the financial year, the company raised \$2,090,376 (gross) through a rights issue to shareholders of 209,037,516 ordinary shares at \$0.01 per share.
- (ii) 4 February 2009, 500,000,000 shares at \$0.012 per share in Victory West Moly Limited were issued as consideration for 75% of Victory West Pty Ltd's shares. These shares are subject to escrow provisions.
- (iii) On 25 February 2009, the company raised \$105,000 (gross) through the issue of 525,000 ordinary shares at \$0.20 per share pursuant to the Company's prospectus.
- (iv) On 4 June 2009, the company raised \$100,000 (gross) through the issue of 500,000 ordinary shares at \$0.20 per share through a placement to sophisticated investors.
- (v) On In February 2009, the company reorganised the capital structure. The reorganisation was by way of consolidating every 20 ordinary fully paid shares in the capital of the company into one fully paid ordinary share. Options were similarly reconstructed with an exercise price of \$0.20.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Capital management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		CONSOLIDATED ENTITY		PARENT ENTITY	
		2009	2008	2009	2008
		\$	\$	\$	\$
Total borrowings	Note 17	321,766	65,442	133,151	22,710
Less cash and cash equivalents	Note 10	(1,807,232)	(2,271,884)	(1,713,091)	(2,270,798)
Net debt		(1,485,466)	(2,206,442)	(1,579,940)	(2,248,088)
Total equity		14,092,389	3,299,247	15,283,190	3,340,893
Total capital		12,606,923	1,092,805	13,703,250	1,092,805
Gearing ratio		(12%)	(202%)	(12%)	(206%)

19 Reserves

Option Reserve

This reserve is used to record the value of options issued over ordinary shares.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange difference arising from the translation of the financial statements of foreign controlled entities.

a) Share Options Reserve

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
At the beginning of the reporting period	-	-	-	-
Reallocation of reserves	534,176	-	534,176	-
Issue of options during the year	4,418,385	-	4,418,385	-
At reporting date	4,952,561	-	4,952,561	-

	No. Options	No. Options	No. Options	No. Options
At the beginning of reporting period	243,128,161	-	243,128,161	-
Issued during the year pre consolidation	-	534,176,013	-	534,176,013
Options converted to shares pre consolidation	(9,016,430)	(291,047,852)	(9,016,430)	(291,047,852)
Reduction due to consolidation	(222,406,154)	-	(222,406,154)	-
Options converted to shares after consolidation	(11,705,577)	-	(11,705,577)	-
Issued after consolidation	78,084,650	-	78,084,650	-
At reporting date	78,084,650	243,128,161	78,084,650	243,128,161

At 30 June 2009, the company had

- 53,084,650 listed options (ASX Code "VWMOA") which have an exercise price of 20 cents and expiry date of 24 February 2012; and
- 25,000,000 unlisted options which have an exercise price of 20 cents and expiry date of 31 December 2011.

During the financial year, the company allotted share options a part of the consideration for 75% of Victory West Pty Ltd's. The fair value of these options has been calculated by an independent consultant applying the Black-Scholes formula. The inputs used in the measurement of the fair values at grant date (post 1 for 20 share consolidation) of the share-based payments are detailed below:

- Number of options 25,000,000
- Fair value at grant date 10.17 cents
- Share price at grant date 20 cents
- Exercise price 20 cents
- Expected volatility ¹ 73%
- Expected option life Until expiry
- Expected dividends Nil
- Risk-free interest rate 3.6%

¹ Expected volatility is based on an average historical volatility for companies comparable to the Company.

During the period the company allotted share options part payment for services rendered. The fair value of these options has been calculated by an independent consultant applying the Black-Scholes formula. The inputs used in the measurement of the fair values at grant date of the share-based payments are detailed below

• Number of options	12,000,000
• Fair value at grant date	15.29 cents
• Share price at grant date	27 cents
• Exercise price	20 cents
• Expected volatility ¹	73%
• Expected option life	Until expiry
• Expected dividends	Nil
• Risk-free interest rate	4%

¹: Expected volatility is based on an average historical volatility for companies comparable to the Company.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
b) Foreign Currency Translation Reserve	(203,184)	5,542	-	-
<hr/>				
Balance at the beginning of the financial year	5,542	(2,217)	-	-
Adjustment arising from the translation of the financial statements of foreign controlled entities	(208,726)	7,759	-	-
Balance at the end of the financial year	(203,184)	5,542	-	-

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

20 Accumulated Losses

Accumulated losses at the beginning of the financial year.	(9,394,438)	(8,939,314)	(9,347,250)	(8,902,216)
Reduction of capital	9,000,000	-	9,000,000	-
Loss attributable to members of the parent entity	(1,152,503)	(455,124)	(1,075,109)	(445,034)
Accumulated losses at the end of the financial year	(1,546,941)	(9,394,438)	(1,422,359)	(9,347,250)

21 Capital & Leasing Commitments

The Company has an agreement with Victory West Pty Ltd being that upon expending an amount of US\$8,000,000 on drilling in accordance with the laws of Indonesia within 5 years from 4 December 2007, Victory West Pty Ltd will then be required to contribute to ongoing costs and expenses of the Company pro-rated in accordance with its percentage interest held. At the reporting date, the Company has provided A\$2,606,205 leaving a commitment of A\$7,270,338 (US\$5,888,973) remaining.

22 Contingent Assets & Liabilities

At balance date there were no contingent assets or liabilities.

23 Cash Flow Information

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities				
Loss after income tax	(1,152,503)	(455,124)	(1,075,110)	(445,034)
Outside Equity Interest	104,756	-	-	-
Depreciation	607	-	-	-
Fair value adjustments to listed investments	3,829	9,324	3,830	9,324
<i>Changes in operating assets and liabilities</i>				
<i>(Increase)/decrease in:</i>				
Trade and other receivables	(350,190)	(3,848)	(86,288)	(3,848)
<i>Increase/(decrease) in:</i>				
Trade payables and accruals	115,599	42,085	109,092	34,297
Net cash outflow from operating activities	(1,277,902)	(407,563)	(1,048,476)	(405,261)

24 Events After the Balance Sheet Date

In September 2009, the company finalised a \$2,000,000 convertible note offer from Dempsey Resources Limited, a fully owned subsidiary of Cape Lambert Iron Ore Limited. Under the terms of the note, the convertible note holders have the right before the repayment date of 2 years to convert the note into ordinary shares in VWM, subject to the receipt of all necessary approvals, if required. Upon receipt of any conversion notice, VWM will have 90 days to determine whether to consent to the conversion or to purchase that portion of the note requested to be converted. The conversion price will be the higher of \$0.30 per share or volume weighted average closing share price on ASX calculated using the five (5) trading days immediately prior to the issue of a conversion notice by the noteholder. The note carries a coupon rate of 12% interest per annum.

On 25 August 2009, in accordance with requirements under the new and recently enacted Indonesian Mining Law, the company successfully converted the Company's tenements, known as Kuasa Pertambangan's (KP's), into Izin Usaha Pertambangan's (IUP's).

On 2 September 2009, the Company convened a General Meeting of Shareholders. At this meeting, shareholder approved:

- a. the future allotment of 13,500,000 Ordinary Shares at a price of 25 cents each. At the date of this report, the company has not allotted these shares.
- b. the future allotment of Ordinary Shares to a total value of \$6,500,000 at a price of no less than 80% of the average 5 day market price of the Company's ordinary shares preceding the allotment date. At the date of this report, the company has not allotted these shares.
- c. the future allotment and issue 11,900,000 Share Options with an exercise price of 20 cents and expiry date of 24 February 2012 at an issue price of \$0.001. At the date of this report, the company has not allotted these options.
- d. past allotment and issue of 500,000 Ordinary Shares. These shares were issued on 4 June 2009 and as such, the financial effect of these shares is included in this financial report.
- e. past allotment and issue of 12 million (12,000,000) Options. These options were allotted on 18 June 2009 and as such, the financial effect of these options is included in this financial report.

On 24 July 2009, the Company entered into a Heads of Agreement with XS Platinum Ltd ("XSP") to acquire all of XSP shares. XSP has a near-term platinum and gold production in Alaska. At this time, the Company was not actively looking for any other projects. The Platinum project was brought to the company and presented as another world class highly profitable project close to production. The Board resolved to proceed to investigate and complete due diligence and comply with the terms of the Heads of Agreement entered into.

During this process it was mutually agreed by both boards that the best way forward was to cease the proposed Heads of Agreement and each board focus on their own projects. The Company lent XSP \$1 million secured against the assets of XSP on commercial terms. This loan is repayable upon the earlier of XSP future capital raisings or February 2010.

25 Related Party Transactions

Directors and key management personnel

Disclosures relating to directors and key management personnel are set out in Directors' Report and in note 7.

Purchases

Payments of \$306,233 (2008: 134,500) were made to an entity related to Mr. Luke Martino for the provision of administrative services, including accounting and secretarial services. These services were provided on normal commercial terms and conditions and at market rates. There was \$49,088 outstanding as at 30 June 2009.

Payments of \$120,000 were made to Mr. Domenic Martino for consulting services provided to the company in relation to the Porphyry Molybdenum project. These services were provided on normal commercial terms and conditions and at market rates. There was \$30,000 outstanding as at 30 June 2009.

Subsidiaries

Victory West Moly Limited is the parent entity in the wholly-owned group comprising the company and its controlled entities. Ownership interests in these controlled entities are set out in note 16.

Aggregate amounts included in the determination of the loss from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group are disclosed at note 5. Transactions between the parent entity and other entities in the wholly-owned group are reflected in Loans to Subsidiaries (refer note 12).

Transactions between the parent entity and other entities in the wholly-owned group during the year ended 30 June 2009 are summarised below.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
(a) Loans to subsidiaries				
Balance at the beginning of the financial year	-	-	-	-
Adjustment for amounts lent in previous year ¹			1,097,890	
Loans advanced	-	-	3,333,708	136,423
Provision for non-recovery	-	-	-	(136,423)
Balance at the end of the financial year	-	-	4,431,598	-

There are no fixed terms for the repayment of principal on loans advanced by the parent entity and no interest has been charged by the parent on the amounts advanced.

¹This adjustment represents amounts lent to parties last financial year which became related parties this financial year and is still outstanding.

(b) Related party transaction details

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Option holdings of Key Management Personnel				
<i>Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in members of the consolidated entity:</i>				
- Options over ordinary shares	400,000	4,233,000	400,000	4,233,000
Shareholdings of Key Management Personnel				
<i>Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in members of the consolidated entity:</i>				
- Ordinary shares	419,759	1,608,000	419,759	1,608,000
Expenses				
<i>Payments made to a director and other related entity:</i>				
- Administrative services	306,233	205,509	306,233	205,509
- Consulting services	120,000	103,950	120,000	103,950
Total expenses	426,233	309,459	426,233	309,459

Additional Information for Listed Public Companies

Equity Holder Information

a. Distribution of Shareholders (as at 29 September 2009)

Category (size of holding)	No. of shareholders	No. of shares	%
1 – 1,000	570	242,296	0.27
1,001 – 5,000	380	1,152,103	1.28
5,001 – 10,000	206	1,631,532	1.81
10,001 – 100,000	425	15,314,606	17.01
100,001 – and over	147	71,703,807	79.63
TOTAL	1,728	90,044,344	100.00

The number of shareholders holding less than a marketable parcel of 2,703 shares (\$0.185 on 29 September 2009) is 763 and they hold a total of 621,286 shares.

b. Twenty Largest Shareholders (as at 29 September 2009)

The names of shareholders that are recorded in the Register of Substantial Shareholders (as at 29 September 2009) are as follows:

Name	No. of shares	%
Impact Nominees Pty Ltd	5,000,000	5.55
Transocean Asset Development Pty Ltd	5,000,000	5.55
Mr Stewart Cranswick & Mrs Sally Cranswick	3,750,000	4.16
Kim John Parham	3,175,000	3.53
Hsbc Custody Nominees (Australia) Limited	2,667,452	2.96
Impact Nominees Pty Ltd <Sydney Investment Account>	1,652,477	1.84
Eastern Investment Limited	1,342,500	1.49
Miss Tan Yen Yen	1,342,500	1.49
Mr Josephus Jeffrey Verheggen	1,335,000	1.48
MDM Lim Poh Choo	1,317,500	1.46
Boambee Bay Pty Ltd	1,260,709	1.40
McNeil Nominees Pty Ltd	1,250,000	1.39
Texpoint Pty Ltd	1,175,000	1.30
Merrywest Investments Pty Ltd	1,146,852	1.27
Tan Chak Chew	1,067,500	1.19
Mr Harun Abidin	1,000,000	1.11
Lighthouse Property Group Pty Ltd	1,000,000	1.11
Mr Steve Rasmussen	1,000,000	1.11
Fortis Clearing Nominees Pty Ltd	965,902	1.07
Ian Sandover & Associates Pty Ltd	922,500	1.02

c. Details of Substantial Shareholders (as at 29 September 2009)

Name	No. of shares	%
Impact Nominees Pty Ltd	5,000,000	5.55
Transocean Asset Development Pty Ltd	5,000,000	5.55

d. Distribution of Listed Optionholders (as at 29 September 2009)

Category (size of holding)	No. of option holders	No. of options	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	1	8,150	0.02
10,001 – 100,000	22	1,482,250	2.79
100,001 – and over	44	51,594,250	97.19
TOTAL	67	53,084,650	100.00

e. Twenty Largest Optionholders of Listed Options (as at 29 September 2009)

The names of optionholders that are recorded in the Register of listed Optionholders (as at 29 September 2009) are as follows:

Name	No. of options	%
Steelflow Pty Ltd	7,000,000	13.19
Fanucci Pty Ltd	5,000,000	9.42
Impact Nominees Pty Ltd	5,000,000	9.42
Mrs Rebecca Leanne Newton	5,000,000	9.42
Transocean Nominees Pty Ltd	3,700,000	6.97
Lighthouse Property Group Pty Ltd	2,000,000	3.77
Mrs Margaret Miles	1,534,650	2.89
Edgestone Australia Pty Ltd	1,511,978	2.85
Merrywest Investments Pty Ltd	1,500,000	2.83
Mr Kim John Parham	1,500,000	2.83
Mr Grant Robert Newton	1,104,490	2.08
Mr Shayne Peter Knight	1,000,000	1.88
Mr Anthony William Sage	1,000,000	1.88
Bell Potter Nominees Ltd	950,000	1.79
Mr Jason Peterson & Mrs Lisa Peterson	850,000	1.60
Grivas Enterprises Pty Ltd	800,000	1.51
Grivas Management Services Pty Ltd	800,000	1.51
Chameleon Limited	750,000	1.41
Mr Ian Hughes	750,000	1.41
Mr Stuart Moses	750,000	1.41

f. Distribution of Unlisted Optionholders (as at 29 September 2009)

Category (size of holding)	No. of option holders	No. of options	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	5	25,000,000	100.00
TOTAL	5	25,000,000	100.00

g. Details of securities which are subject to escrow provisions (as at 29 September 2009)

	Number of shares
Ordinary fully paid shares, restricted for 12 months from date of issue – 2 February 2009.	19,875,000
Ordinary fully paid shares, restricted for 24 months from date of quotation.	5,125,000
Total Escrowed Shares	25,000,000

h. Voting Rights

Ordinary shares

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- Each shareholder entitled to vote, may vote in person or by proxy, attorney or representative
- On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote
- On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

Options

Options do not carry a right to vote.

i. Share Buy-Backs

There is no current on-market buy-back scheme.

j. Registered Office

The address of the registered office in Australia is:
 311 Hay Street
 Subiaco WA 6008

k. Securities Register

Registers of Securities are held at the following addresses:

Computershare Investor Services
 Level 2, 45 St George's Terrace
 Perth WA 6000

l. Stock Exchange Listing

The company's securities are quoted on the Australian Stock Exchange Limited.

m. Interest in Mining Tenements

Holder	Exploration IUP	Location	% interest
PT Inti Cemerlang	188.45/2447/DISPESDAM	Indonesia	71.25%
PT Era Moreco	188.45/2448/DISPESDAM	Indonesia	71.25%
PT Indo Surya Moreco	188.45/2536/Bag. Ekon	Indonesia	71.25%
PT Sembilan Sumber Mas	188.45/2446/DISPESDAM	Indonesia	71.25%
PT Promistis	188.45/2444/DISPESDAM	Indonesia	71.25%

Corporate Directory

VICTORY WEST MOLY LIMITED

ABN 66 009 144 503
(Incorporated in Western Australia)

WEBSITE

www.victorywestmoly.com.au

REGISTERED OFFICE

311 Hay Street
Subiaco
Western Australia 6008

DIRECTORS

Mr Steven Pynt
Mr Michael Scivolo
Mr Wayne Knight

INVESTOR SHARE ENQUIRIES

C/- Indian Ocean Advisory Group Pty Ltd
+61 (0) 8 9381 5819

AUDITORS

Grant Thornton (WA) Partnership
Level 1 10 Kings Park Road
West Perth
Western Australia 6005

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2, 45 St. George's Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

ASX Limited
ASX Code – VWM & VWMOA