

VICTORY WEST MOLY LIMITED

ACN 009 144 503

311-313 Hay Street, Subiaco,
PO Box 8282, Subiaco East,
Western Australia 6008

www.victorywestmoly.com.au

T: +61 (0) 8 9381 5819

F: +61 (0) 8 9388 3701

20 September 2010

The Manager
Company Announcements Office
Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

MALALA MOLYBDENUM PROJECT – SIGNIFICANT MILESTONE ACHIEVED

20 YEAR PRODUCTION AND OPERATIONAL (EXPLOITATION) LICENSES GRANTED FOR 2 KEY CONCESSIONS

HIGHLIGHTS:

- **20 year Production & Operation (Exploitation) IUP licenses granted for PT Inti Cemerlang and PT Promistis the most prospective and advanced concessions;**
- **3 year extensions granted for Exploration IUP licenses for PT Era Moreco and PT Indo Surya Moreco concessions.**

The Directors of Victory West Moly Ltd (“VWM” or the “Company”; ASX: VWM, FSE: R1E) are very pleased to announce the successful grant of Production and Operational (Exploitation) IUP licenses for its two most strategic concessions that form the core of the Malala Molybdenum Project located in North Sulawesi, Indonesia.

The Production and Operation IUP facilitates the commercial extraction of Molybdenum from the concession areas for a period of 20 years (renewable for a further 10 – 20 years).

Inti Cemerlang – Anomaly B

Within the Malala Molybdenum Project Inti Cemerlang is the most prospective and advanced concession. Substantial work has been undertaken over the last two years with a focus on verifying and expanding an initial exploration target at “Anomaly B” within the Inti Cemerlang concession of 105- 115Mt @ 660-900ppm Molybdenum based on previous work by Rio Tinto, Santos and the Company.

A number of geological data sets have now been combined with the results of an IP survey undertaken in March 2010 over Anomaly B, resulting in the definition of a revised geological model. This model highlights the potential for significant upside at Anomaly B, with the Target Zone increased from 800m to over 4km. This is an increase of more than 300% compared to previous knowledge providing significant upside in the Anomaly B exploration target.

Promistis

Promistis is a relatively new discovery 10kms north-west of Anomaly B and is currently the focus of an aggressive exploration campaign. Work to date has identified enormous regional potential to make further discoveries. The recognition of the geological contact between the intrusive rocks and the sedimentary rocks has important implications for regional prospecting.

Exploration Extensions

Additionally, exploration IUP license extensions have been granted for PT Era Moreco and PT Indo Surya Moreco concessions for an additional 3 years. It is expected that a 3 year exploration extension for the Sembilan Sumber Mas concession will be granted within the next month.

CEO Rob Hyndes commented *“The Granting of the Production and Operational IUP licenses for Inti Cemerlang and Promistis represents a significant milestone for the Company. By securing an additional 20 years of tenure over the Projects most prospective acreage underpins the valuable asset base and provides a significant step towards the crystallising of substantial value in the Project”*

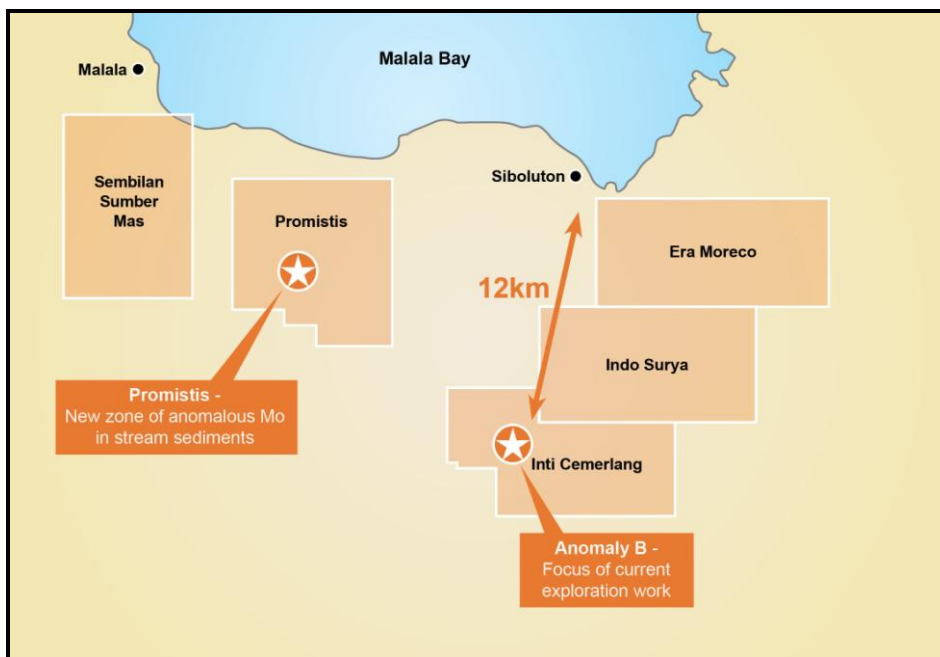
The granting of the exploitation licenses and extension of the exploration licenses is very timely and will provide significant additional comfort to the Guangshou Group as they finalise their due diligence”.

About the Malala Molybdenum Project

The Malala Molybdenum Project is comprised of 5 strategic exploration concession that are highly prospective for Molybdenum located in the Toli-Toli Regency at the northern tip of the island of Sulawesi in Indonesia covering a total area of 23,747Ha.



The concessions cover the most prospective sections of a former 3rd Generation Contract of Work (COW) held by Rio Tinto during 1977-1985 and for a period in joint venture with Santos Ltd during 1980-82. Please visit the Company's website www.victorywestmoly.com.au for additional information on the Malala Molybdenum Project.



Yours sincerely

LUKE MARTINO
Company Secretary

** 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.*