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MOLY LIMITED

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Quarterly Activity Report For the period ending 31 March 2010

Victory West Moly Limited (“VWM” or “the Company”) is pleased to provide shareholders with this Quarterly Activities Report for the three (3) months ending 31 March 2010. Activities continued to focus on the Anomaly B and Promistis prospect areas within the Malala Molybdenum Project located in northern Sulawesi, Indonesia (see Figure 1).

Key Highlights

Operations & Technical

- ✧ Completion of Induced Polarisation (IP) geophysical survey at Anomaly B
- ✧ Revised geological model completed representing a 300% increase in Target Zone (>4km)
- ✧ A number of trenches extended to better define surficial mineralisation
- ✧ Accelerated Exploration activities at Promistis, including mapping, soil, rock and stream sediment sampling

Corporate

- ✧ Appointment of Robert Hyndes as Chief Executive Officer (“CEO”)
- ✧ Secondary listing of the Company’s securities on the Frankfurt Stock Exchange
- ✧ Announcement of \$1.5million capital raising
- ✧ Successful Completion of European Roadshow

Operations & Technical

Induced Polarisation (IP) Survey – Anomaly B

A detailed, three-dimensional, double-offset dipole-dipole Induced Polarisation (IP) survey (“IP Survey”) was completed at Anomaly B during the quarter. This survey, covering an area 3.2km x 2.6km, was aimed at identifying the mineralised corridor believed to have the highest prospectivity for economic concentrations of molybdenum mineralisation. The survey was conducted by Khumsup Limited, with all data processed and interpreted by Perth-based Southern Geoscience Consultants Limited.

The survey has identified the geological contact between the Tinombo Formation and the Malala Porphyry (the “Contact Zone”, Figure 2). This Contact Zone has been recognised to extend over 4km in length at Anomaly B and is known to host areas of significant molybdenum mineralisation. Historical drilling undertaken by Rio Tinto, Santos and more recently by VWM, has been conducted over 800m of this prospective Zone, with a number of significant intersections returned. The balance of the Contact Zone has been largely untested by drilling to date, thus providing significant demonstratable upside for the Company to investigate.

Revised Geological Model – Anomaly B

The IP data has been combined with a number of geological data sets including drilling, soil and bedrock (trenching) geochemistry to help refine a revised geological model for Anomaly B. The largely coincident data sets have allowed the Company to define a highly prospective Target Zone at Anomaly B which is in excess of 4km long and up to 300m true width.

Soil geochemistry, illustrated in Figure 3, identifies two distinct zones of anomalism within the Target Zone – termed the Northern and Southern Limb. Previous exploration, including drilling, has focussed on an area approximately 800m long within the Northern Limb, where several world-class drilling intersections have been reported, including 234m @ 1,680ppm Mo (M12) and 245m @ 1,200ppm Mo (M37). The anomalous Mo-in-soils extend for 1.7km on the Northern Limb and over 1km on the Southern Limb.

Bedrock geochemistry from the Northern Limb (Figure 4) reveals coincident anomalism with the Mo-in-soils whilst still falling within the Target Zone, thus reinforcing a target area extending 1.7km in length and up to 300m wide. Trenching on the Southern Limb will be in the current quarter.

Historical drilling on the Northern Limb was unsuccessful at confirming previous geological models, resulting in an irregular distribution of drill holes. Of the 30 drill holes completed on the Northern Limb, only M12 (Rio), M37 (VWM) and M38 (VWM) were correctly oriented to test the steeply west-dipping Target Zone. As illustrated in Figure 5, each hole returned a world-class intersection and confirms the Target Zone hosts broad areas of significant molybdenum mineralisation.

These coincident geological data sets have provided sufficient information to define a revised geological model for the enlarged Anomaly B prospect area. This model dictates the need for future exploration and drilling programs to focus on the newly defined Target Zone. Importantly, the majority of the drilling conducted at Anomaly B has been ineffective at testing this highly prospective zone, thus there remains significant potential to expand the Company's Exploration Target* (105-115Mt @ 660-900ppm Mo) on the Northern Limb, with further upgrades likely upon preliminary testing of the Southern Limb.

This geological model will now also be applied to the remainder of Company's concession area at Malala, with the geological contact between the Tinombo Formation and the Malala Porphyry becoming the focus of detailed investigation.

Trenching – Anomaly B

Limited trenching activities continued during the quarter, with trenches L-850 C and L-950 C completed, L-1050 B extended to the north east and L-1100 B initiated (Figure 6). A total of 225 samples from 1,125 metres of trench line were collected during the three months to end March 2010. Each sample is a 5 metre continuous rock chip sample.

Assay results from trenches previously completed in the south eastern part of the Anomaly B area (L-750 C, L-850 C and L-950 C) have recently been received and are currently being processed and interpreted.

Regional Reconnaissance Sampling Program - Promistis

The regional geological work program continued to focus on a large area within the PT Promistis concession, located approximately 10km to the north west of Anomaly B. As previously reported, this area has returned several highly anomalous stream sediment and rock chip samples from an area 3km x 3km in size. Detailed work programs are now underway with the aim of defining a new hardrock molybdenum discovery.

A total of 21 stream sediment samples and 236 rock chip samples were collected during the quarter. A program of ridge-and-spur soil sampling has also been initiated, with 468 soil samples collected at 25 metre spacing. Assay results from these programs are expected to be released in the coming weeks.

The Company continues to employ approximately 70 full-time personnel at Malala.

Corporate

Appointment of CEO

In January 2010, Mr Robert Hyndes was appointed Chief Executive Officer of the Company. Mr Hyndes has a proven track record in leading and managing emerging and growth stage projects with global experience in Australia, UK, Asia and the US across a range of industries including resources, technology and professional services. Mr Hyndes has extensive public market experience including debt and equity capital raising, project acquisition and divestments, business and strategic planning and operational management.

Mr Hyndes appointment adds valuable experience and strength to the Management team and the Company is pleased to welcome Mr Hyndes onboard.

In addition, the Company is actively seeking to build its executive team both in Australia and Indonesia.

Beijing Trip

The Company continues to build its Asian based relationship working towards a long term goal of maximising the potential significant value of the Malala project.

The week beginning 25 January Robert Hyndes (CEO) and Luke Martino (Company Secretary) travelled to Beijing with the Governor of Sulawesi and senior members of the local Toli Toli Bupati (local government) and attended a number of key meetings with interested groups including BGRIMM (Beijing General Research Institute of Mining and Metallurgy) and our local Chinese consulting partner.

\$1.5million Placement

The Company announced arrangements to complete a \$1.5 million capital raising by way of an underwritten placement of 10,000,000 shares at \$0.15 per share together with 5,000,000 attaching options. The placement closed heavily oversubscribed soon after the end of the March quarter.

Frankfurt Stock Exchange Listing

In early March, VWM initiated a secondary listing on the Frankfurt Stock Exchange (ticker code: R1E). The Frankfurt Stock Exchange is one of the world's largest trading centres for securities with a yearly total turnover greater than E5 Trillion.

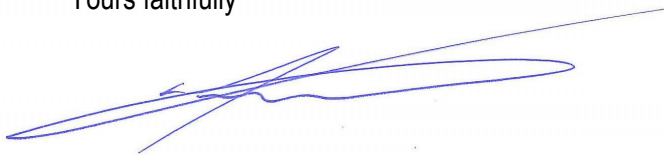
The Company considers this secondary listing will further broaden the Company's shareholder base internationally and give the Company additional avenues for future capital raising opportunities via the European markets to support its longer term growth strategies

German Investor Roadshow (subsequent to quarter end)

The week ending the 28th April the Company's senior management attended investor trade shows in Frankfurt and Stuttgart in Germany.

Whilst in Germany, the Company's management group predominantly focused on personal meetings with analysts, researchers, investment bankers, institutional and private investors, financial media representatives and key international shareholders and partners in order to further strengthen the Company's investor relations.

Yours faithfully



LUKE MARTINO
Company Secretary

*** Notes on Exploration Targets**

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.

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 a fulltime 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.

About Victory West Moly Limited

Victory West Moly Limited (ASX: VWM, www.victorywestmoly.com.au) is a molybdenum-focussed exploration and development company with its flagship Malala Molybdenum Project (23,747 Ha total) located in Sulawesi, Indonesia, approximately 12km from a deep water harbour at Malala Bay.

VWM is currently focussed on delineating the size and grade of the Anomaly B prospect through a series of exploration programs including drilling, trenching, geophysics and geochemistry. VWM is yet to define a JORC resources however, it is in the process of verifying an initial minimum Exploration Target at Anomaly B of 105-115Mt @ 660-900ppm Mo. ¹ based on previous work by Rio Tinto, Santos and the Company. VWM expects to significantly build on this target over time.

Recent exploration suggests Anomaly B could be just one of a series of molybdenum-bearing prospects within the district, with regional reconnaissance generating a number of high priority targets, including a large target area within the PT Promistis concession.

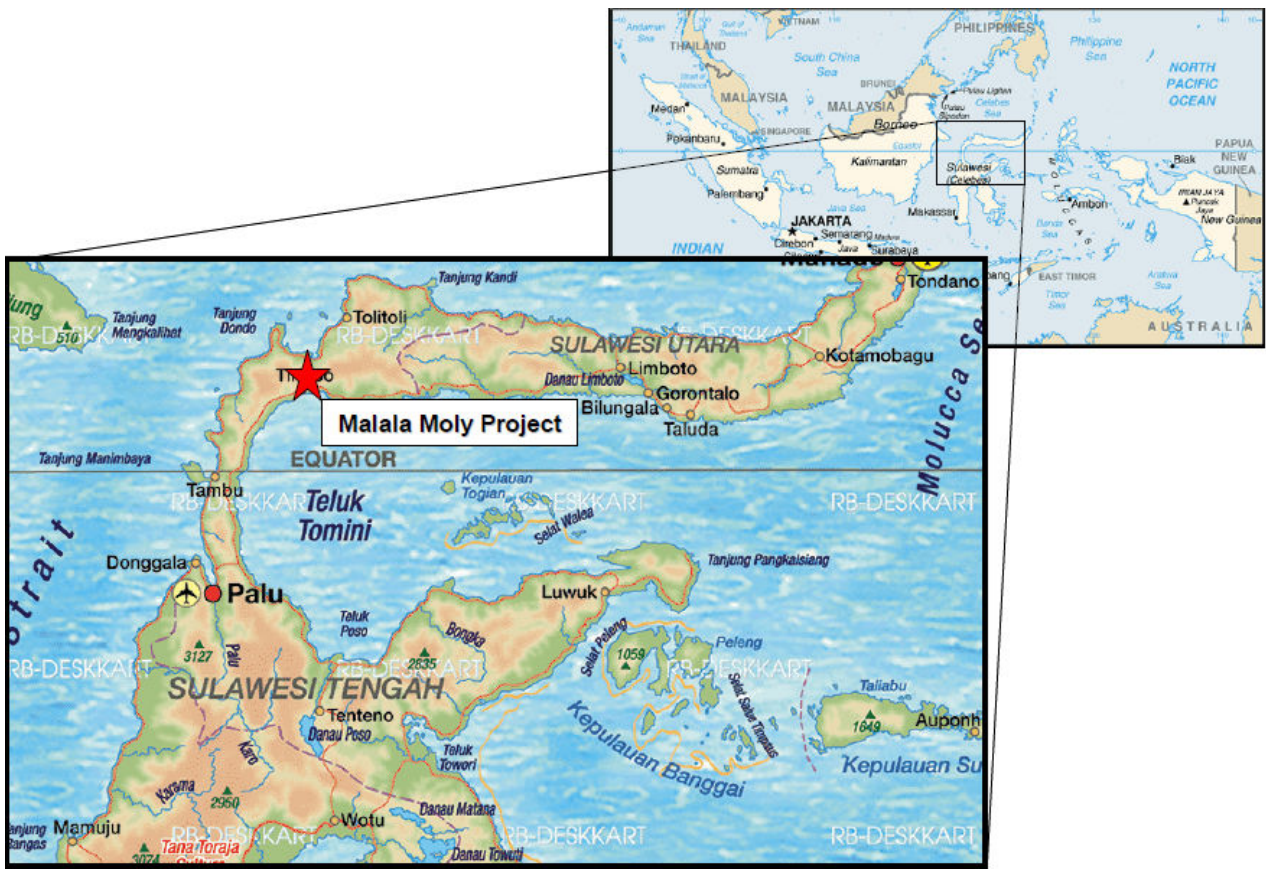


Figure 1 – Location of the Malala Molybdenum Project in northern Sulawesi, Indonesia.

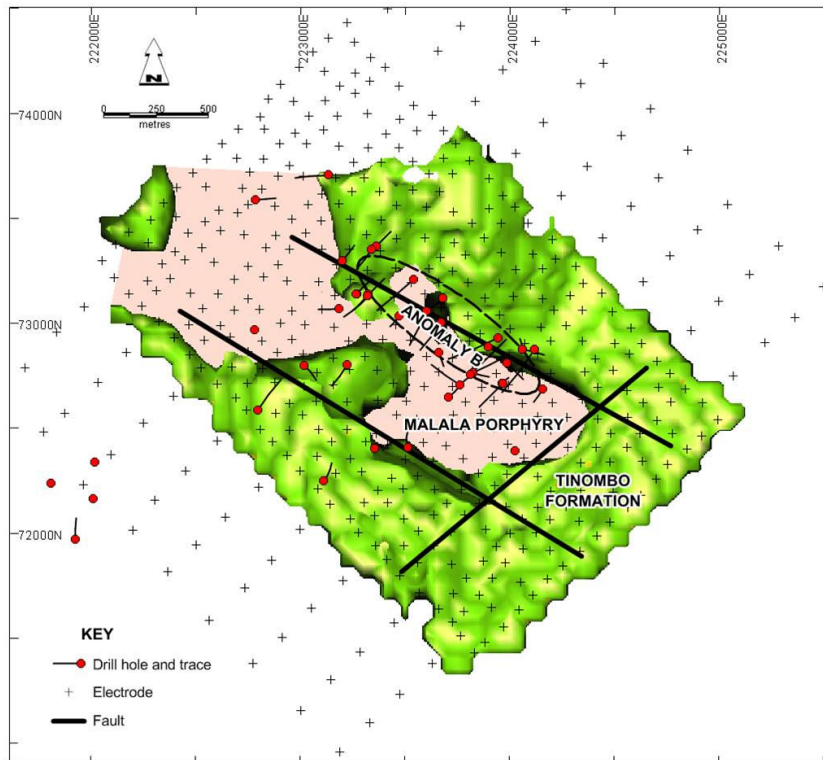


Figure 2 – Induced Polarisation (IP) image showing Tinombo Formation (40mV/V in green) and the Malala Porphyry. Exploration undertaken to date at Anomaly B forms only a small part of the contact zone.

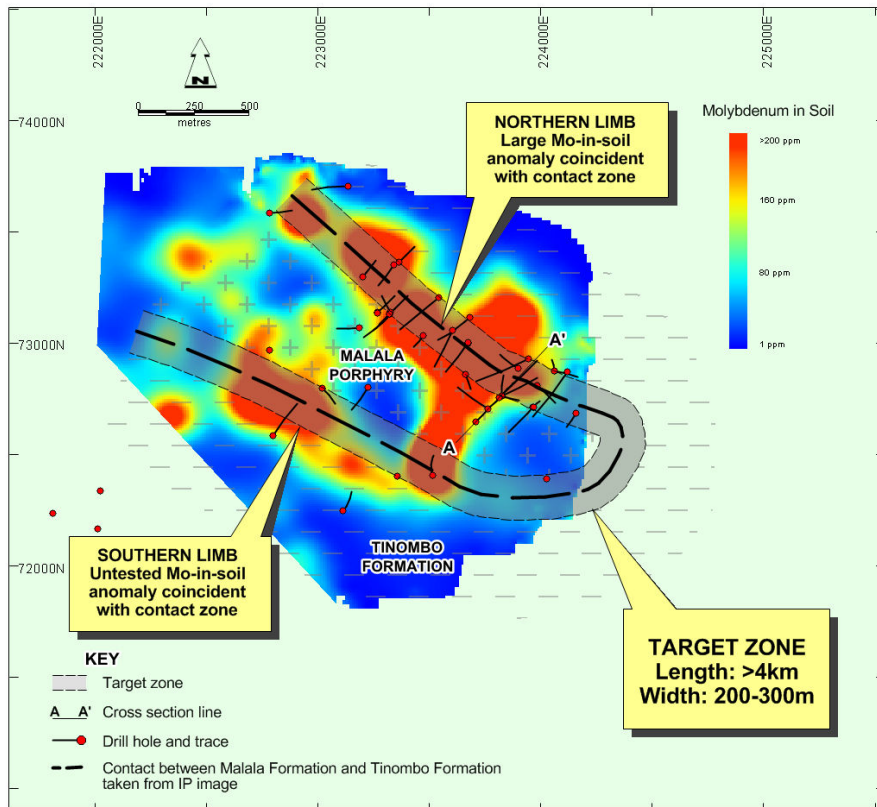


Figure 3 – The Target Zone, as identified by IP, overlying the Mo-in-soils geochemistry. The coincident IP and soils data define the Northern and Southern Limb.

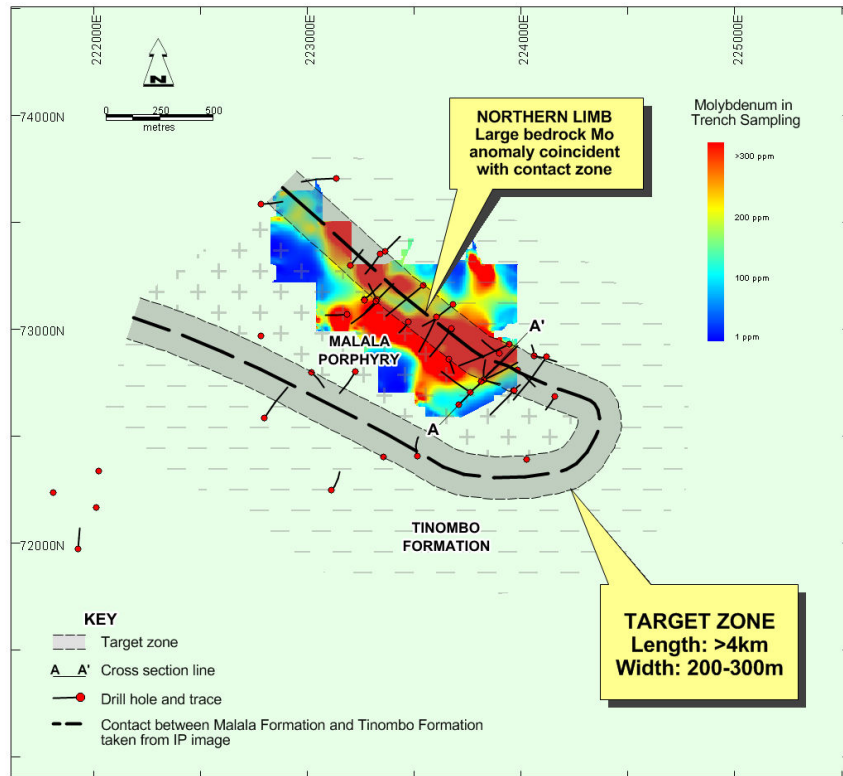


Figure 4 – The Target Zone, as identified by IP, overlying the bedrock (trenching) geochemistry. The Target Zone is coincident with bedrock data, further confirming the position of the Northern Limb.

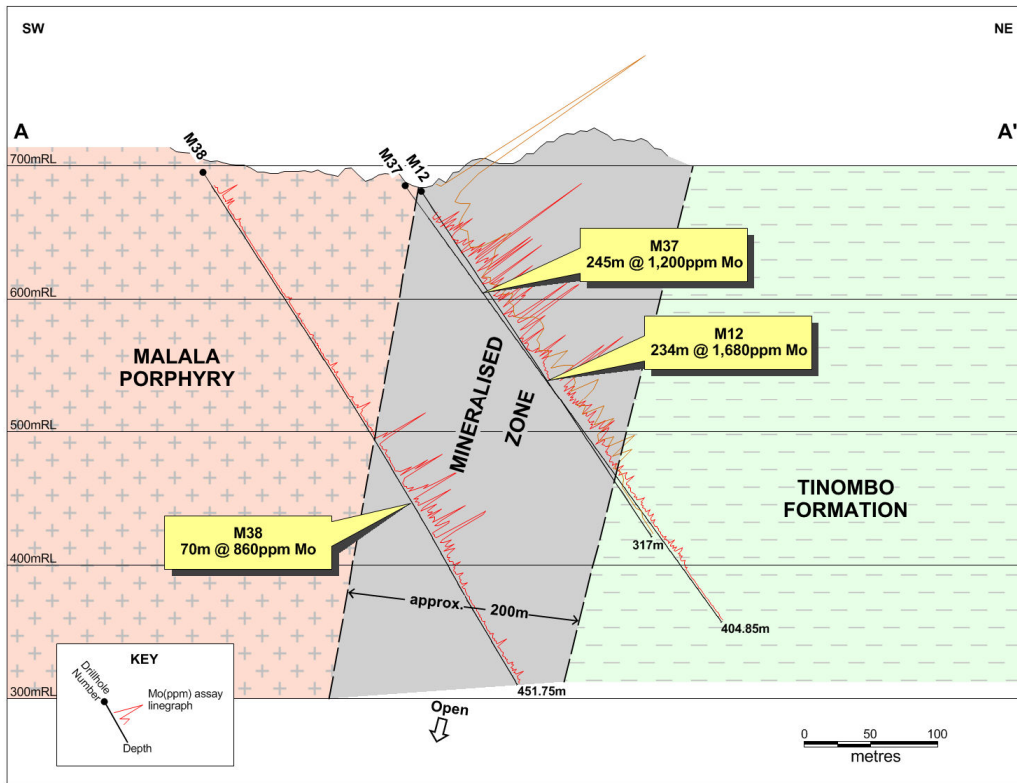


Figure 5 – Drill section through M12, M37 and M38 showing the steep dip to the mineralised Target Zone at the contact between the Tinombo Formation and the Malala Porphyry.

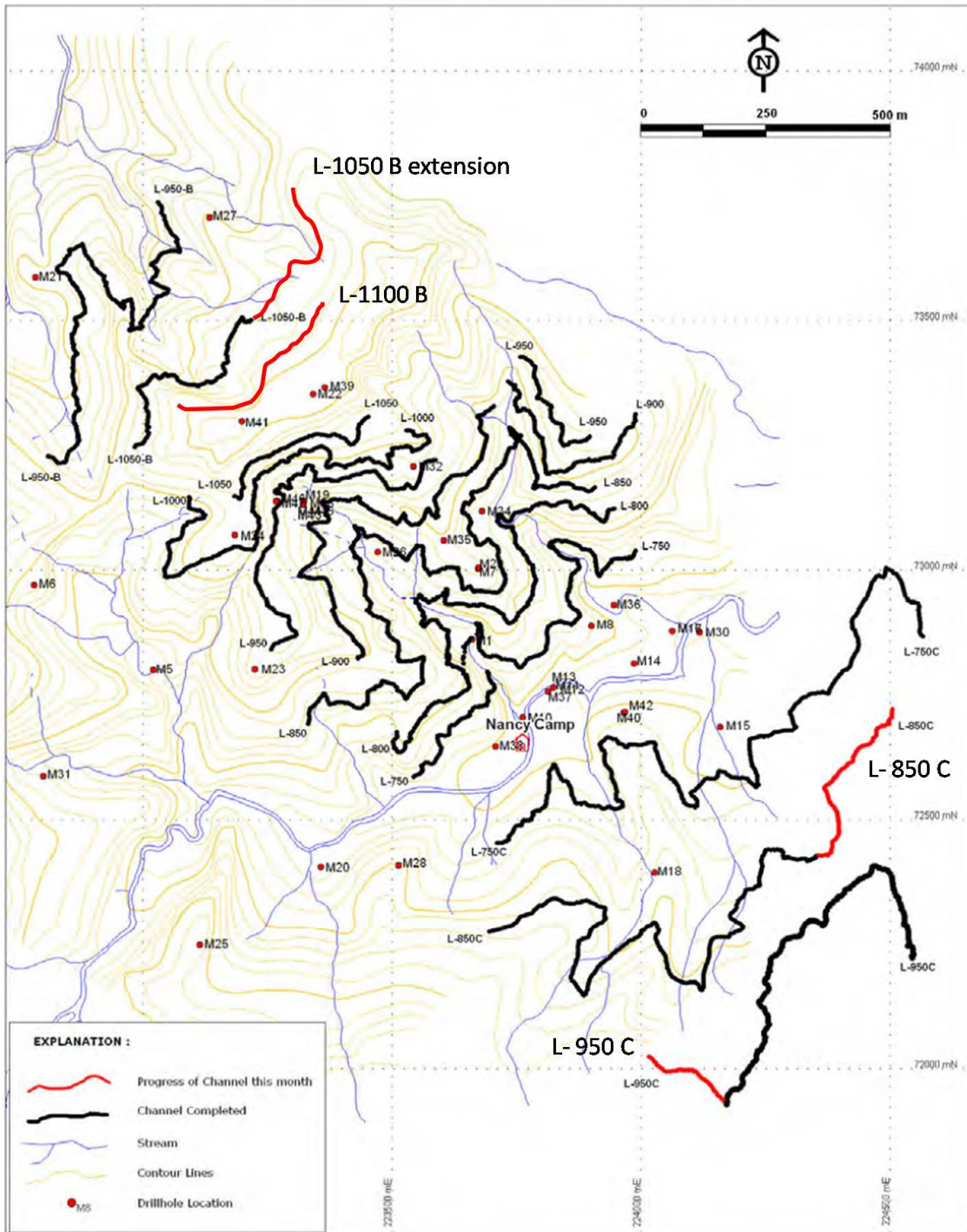


Figure 6 – Trenching progress during the March quarter 2010.