VICTORY WEST
MOLY LIMITED

ANNUAL REPORT 2010

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 2010 annual report for Victory West Moly Limited.

The Company remains focused on its cornerstone project the highly prospective Malala molybdenum project in Sulawesi, Indonesia. The Board is committed to the business strategy of identifying and extracting value from world class projects, with a particular focus on Indonesia. With the use of key management and consultants working on the projects, the Company is seeking shareholder wealth whilst managing risk.

During the year, the Company continued their aggressive work program on the Malala Project, with extensive assaying and trenching of anomaly B and other prospective sites on the five concessional areas at the Malala Project prospect in Northern Sulawesi. With completion of an Induced Polarisation Programme the Company has produced a highly prospective geological model leading to a greater than 300% increase in the target mineralized at Anomaly B.

This has proven to be a sound strategy, attracting the attention of China Guangshou Group Corporation a diversified mining group with substantial Molybdenum mining experience. At the date of this report the Company is working closely with Guangshou to finalise the completion of due diligence and looks forward to a long and fruitful partnership.

In parallel, the Company continues to evaluate other complementary projects and as announced is currently completing due diligence on the highly prospective USSU direct shipping ore nickel project in South Sulawesi.

The strategy of facilitating and funding world class mineral projects and introducing major partners is becoming a reality for your Company. We will continue this approach to build significant fundamental value and create long term shareholder wealth.

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 2010

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 maintained its high levels of activity in the twelve month period ended 30 June 2010, remaining focused on evaluating and developing its large and highly prospective cornerstone project the Malala molybdenum project in Sulawesi, Indonesia.

We believe that Molybdenum remains an attractive metal to invest in. The medium to long term outlook for molybdenum is increasingly attractive with potential supply shortages indicating new mines are needed to satisfy future demand growth. The molybdenum price has continued to remain firm, with recent upward price movements building on the initial price rebound seen toward the end of the GFC. The GFC has impacted the availability of funding for new molybdenum projects, thus reduced the quantity of molybdenum potentially entering the market in the short to medium term. As a result the Malala Project is well positioned to be commercialised into one of the worlds' top molybdenum projects.

Notable achievements during the twelve month period include:

- Successful secondary listing on the Frankfurt Stock Exchange (FSE) in March 2010
- The successful raising of $1.5million (gross) through the issue of 10million Ordinary shares and 5million free attaching listed $0.20 options expiring 24 February 2012 to Professional Investors.
- Completion of a detailed Induced Polarisation (IP) survey over the Anomaly B prospect area.
- Definition of new geological model which has increased the strike length of the zone considered prospective for the definition of molybdenum mineralisation to 4km.
- Initiation of a regional reconnaissance geochemical sampling program resulting in the discovery of two large areas within the PT Promistis concession containing strongly anomalous stream sediment, rock chip and soil geochemistry.
- Continuation of extensive trenching program to define the surficial "footprint" of the main Anomaly B prospect. Recognition of the "Northern Limb" and the "Southern Limb" which have been the focus of trenching activities.
- Appointment of Robert Hyndes as Chief Executive Officer (15 January 2010) and David Lonsdale as Commercial Manager (1 June 2010).

Malala Molybdenum Project, Sulawesi, Indonesia – (71.25% moving to 95%)

In the twelve months to June 2010, the Company continued to undertake a number of exploration programs to evaluate the size and grade of the main target area identified as Anomaly B within the PT Inti Cemerlang concession. In addition to this, a regional exploration program consisting of stream sediment sampling continued on the Company's other concessions within the Malala Project area. This regional program has more recently been focused on the PT Promistis concession due to the high number of anomalous geochemistry results returned from two large areas. In addition, several anomalous geochemical anomalies have been reported from the Company's other concession which still need further investigation.

The Malala Project is located in the Toli Toli Regency of Central Sulawesi Province, Indonesia, approximately 150km to the north of Palu (Figure 1). The project comprises five IUP concessions: PT Inti Cemerlang, PT Promistis, PT Era Moreco, PT Sembilan Sumber Mas & PT Indo Surya. The total area forming the Malala Project is in excess of 240km^2 (Figure 2) spread across the five concessions all of which are located within 15km of the coast. 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. The majority of 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 exploration target of 105-115Mt @ 660-900ppm Mo**[1]. In FY2009, VWM began the task of proving up this initial resource target, with this work continuing throughout FY2010. The Company has significantly advanced its understanding of the Anomaly B prospect area, with detailed trenching and geophysical surveying making large contributions to this improved understanding during 2010.

VWM, through its Indonesian subsidiaries, have now employed seven Indonesian geologists and up to 80 local workers on a full time basis since August 2008, most of who continue on the Project today.

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[1] 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 Rio Tinto, Santos and VWM.

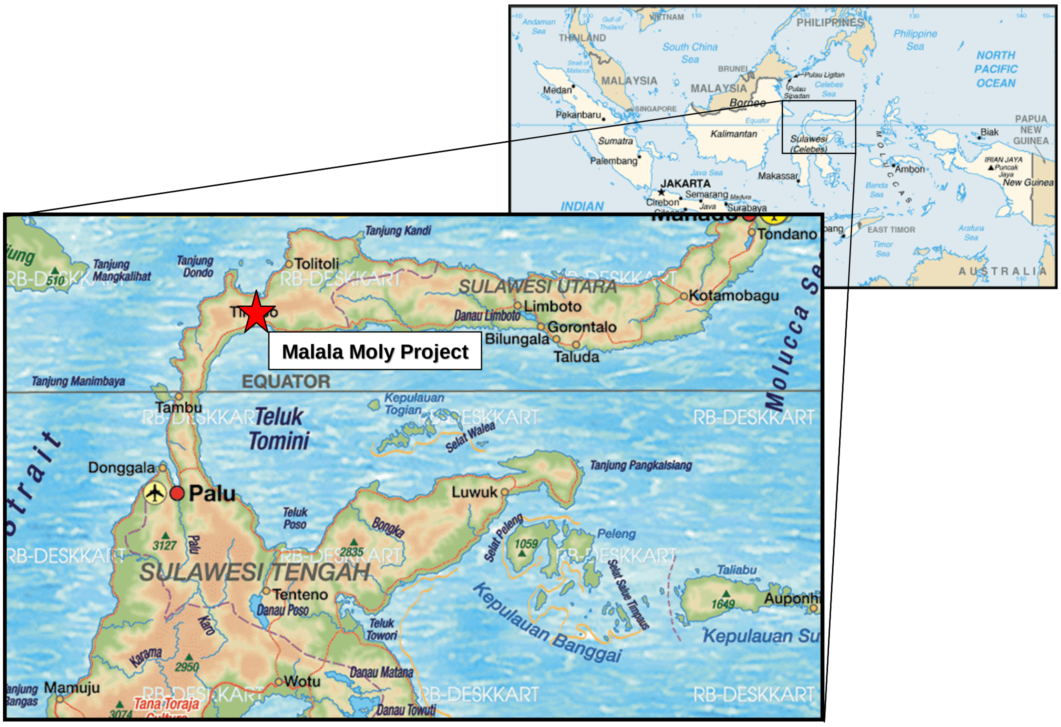


Figure 1 – Location of Malala Molybdenum Project in northern Sulawesi, Indonesia.

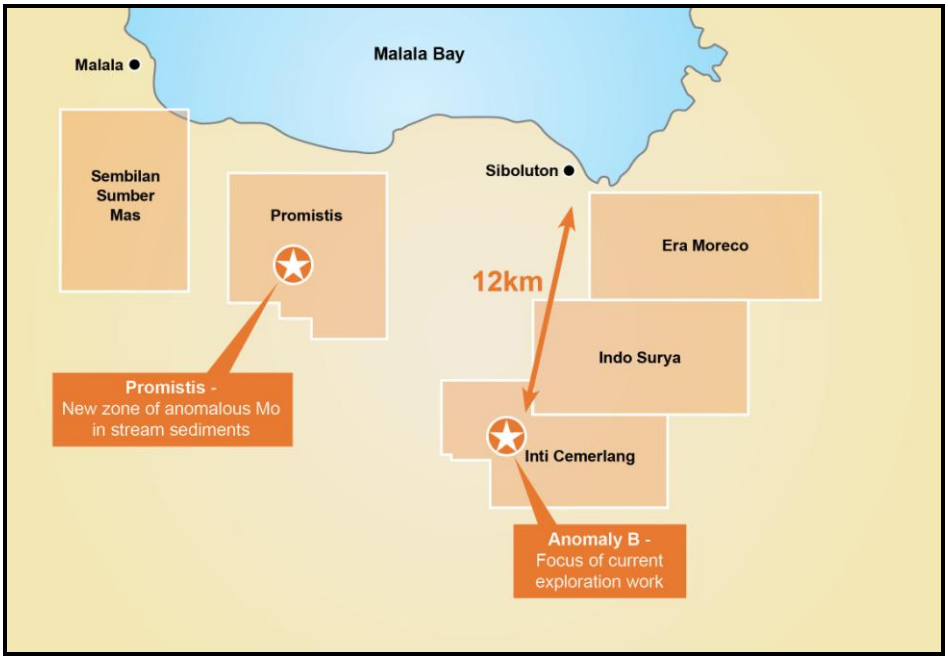


Figure 2 – Malala Molybdenum Project area

Geophysical Surveying – Induced Polarisation

With the view to recognising the size of the sub-surface mineralised system at Anomaly B, the Company engaged Khumsup Limited and Southern Geoscience Consultants Limited to undertake a detailed "3-dimensional double-offset dipole-dipole induced polarisation geophysical survey" (3D DODD) over a large area centred on the main Anomaly B prospect area. A total of 68.9km of grid line was prepared and surveyed over a three month period from January to March 2010.

The survey covered an area of 3.2km x 2.6km and successfully identified the geological contact between rocks of the Tinombo Formation and rocks of the Malala Porphyry (the "Contact Zone"). To do this, the IP was used as a geological mapping tool, recognising the fine-grained disseminated pyrite in the Tinombo Formation in contrast to the highly altered but relatively barren Malala Porphyry. This Contact Zone has been recognised to extend over 4km in length at Anomaly B, with previous exploration work, including drilling and trenching, undertaken over only 800m of this zone. This previous work has recognised this Contact Zone to contain broad zones of molybdenite mineralisation (eg. 245m @ 0.12% Mo in hole DM37) and is therefore an important and highly prospective zone to focus future exploration. As the full extent of this Contact Zone had not been previously recognised, the remaining 3,200m had yet been subjected to exploration efforts. By combining the results of the IP survey with soil and bedrock geochemistry, a new geological model has been defined for Anomaly B. This model has identified two zones of surficial mineralisation, termed the "Northern Limb" and the "Southern Limb", both of which will be further investigated and are considered highly prospective.

Based on the success of the IP at Anomaly B, the Company is planning on undertaking a second IP survey over the recently defined targets areas within the PT Promistis concession. This survey is proposed for later in CY10.

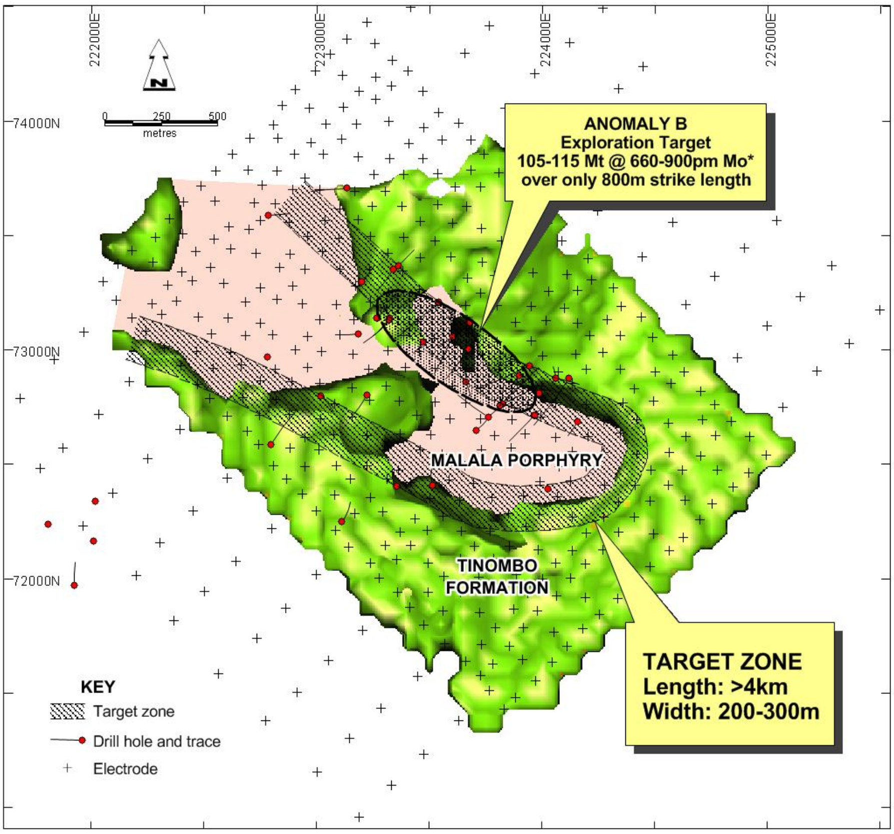


Figure 3 – Results of the IP survey have been used to recognise a target zone over 4km in length, much of which has yet to be explored.

Trenching

VWM continued with the comprehensive trenching program at Anomaly B, completing a total of 18,651.1m of trenching in sixteen trench lines, identified on Figure 3 below. In the twelve months to end June 2010, 2,137 samples were collected from 10,685m of trench line. All trenches are sampled along their entire length with each sample is a five metre continuous rock chip sample. The majority of trenching undertaken to end June 2010 was focussed on the Northern Limb, where thirteen trench lines have been excavated. More recently, trenching has been initiated on the Southern Limb with the aim of discovering a new zone of near-surface molybdenum mineralisation similar in size and grade to the Northern Limb. The trenching program is aiming to define the surficial “footprint” of the Anomaly B target area and is expected to be completed in the second half of CY10.

The trenching has been a highly effective tool at confirming the location of the surficial molybdenum mineralisation. Due to vegetation cover, terrain and the complex nature of the geology, surface mapping has not been widely successful in locating the key geological contact zones which are considered highly prospective. Visible molybdenite has been reported from most trench lines and the overall program has been very effective at recognising the best zones of mineralisation. Several significant assay results have been returned during the period, adding to the broad continuous intervals reported up to the end of FY2009. Highlights released during the period include:

- 540m @ 580ppm Mo, including 70m @ 1300ppm Mo from trench L800
- 660m @ 400ppm Mo, including 35m @ 1194ppm Mo from trench L850
- 660m @ 400ppm Mo from trench L750RL
- 240m @ 803ppm from L-1100 B

These results have defined the bedrock anomaly associated with the Anomaly B target area to be in excess of 1,200m long and 350m wide (Figure 4). The best mineralisation is found within an area approximately 800-1000m in length and is perfectly coincident with the Northern Limb identified by the IP geophysical program. Further, by overlying the Rio Tinto soil geochemical data, the Northern Limb is very well defined by these three coincident data sets. Ongoing trenching on the Southern Limb is aimed at replicating the high level of confidence seen on the Northern Limb. Presently, the Southern Limb is defined by a large soil geochemical anomaly overlying the exact position of the Contact Zone as identified by the IP.

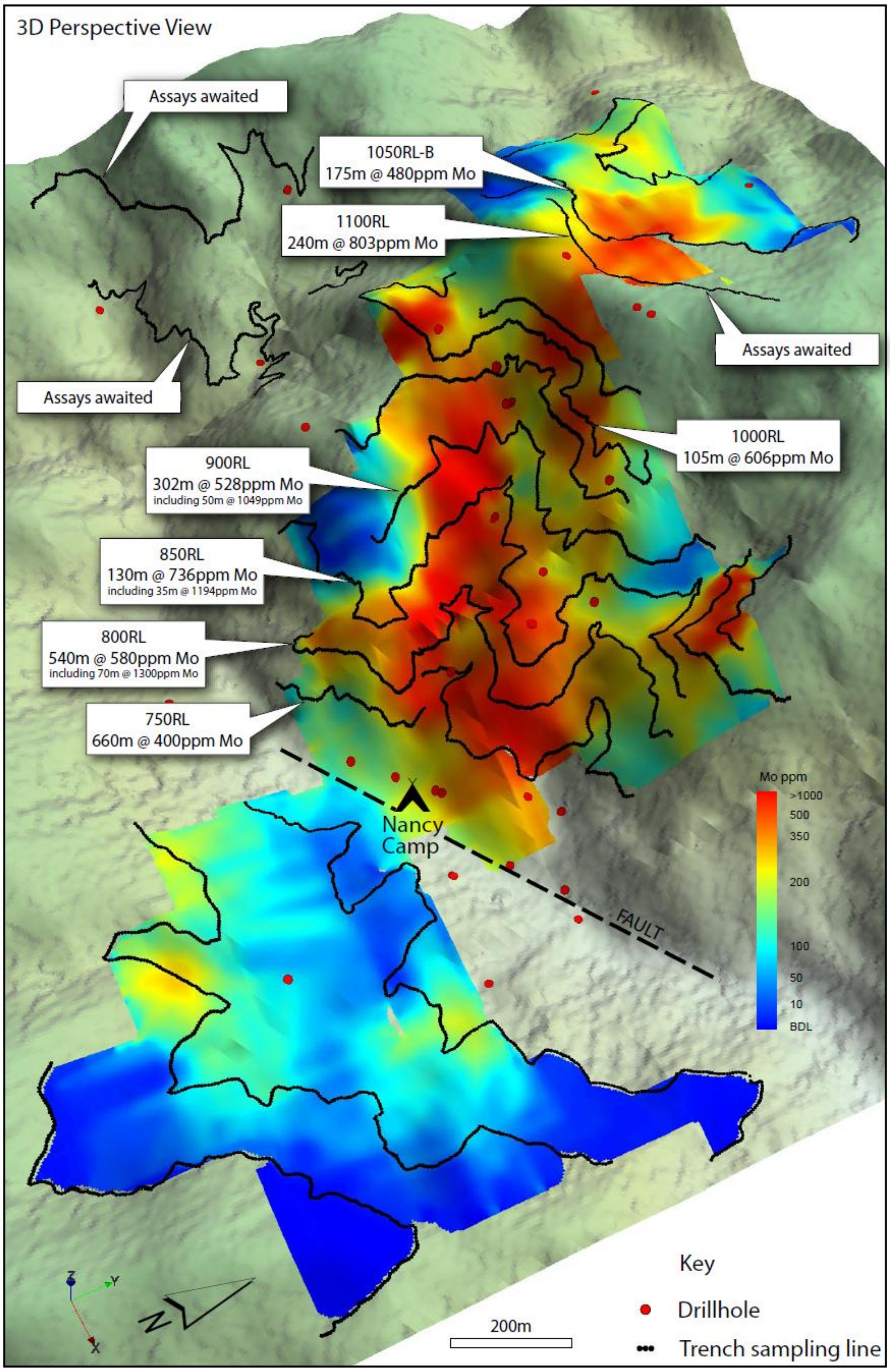


Figure 4 – Contoured molybdenum assays draped over digital elevation model (DEM) at Anomaly B. This data is shown for the Northern Limb, with trenching on the Southern Limb still ongoing.

Regional Geochemical Sampling Programs

Due to other exploration commitments at Anomaly B during the reporting period, field crews continued collecting reconnaissance geochemical samples on an intermittent basis. The focus of much of this work was the Promistis concession, where geochemical sampling has returned several anomalous stream sediment and rock chip results within an area approximately 3km x 3km. Results include >20 stream sediment samples grading >10ppm Mo, with the highest value at 97ppm Mo. Rock chip samples with grades up to 457ppm Mo has also been returned. The Company is currently undertaking a detailed ridge-and-spur soil geochemistry program with the view of identifying the surficial area of molybdenum mineralisation at Promistis.

A number of highly anomalous stream sediment and rock chip samples have been returned from the Company's other concessions, including a rock chip sample returning 1,420ppm Mo from PT Era Moreco and 34ppm Mo from PT Indo Surya. These anomalies will be followed up in the FY11 period with the aim of defining a number of new zones of high-grade, near surface molybdenum mineralisation.

In total, 377 stream sediment samples and 327 rock chip samples were collected and assayed in the twelve months to end June 2010.

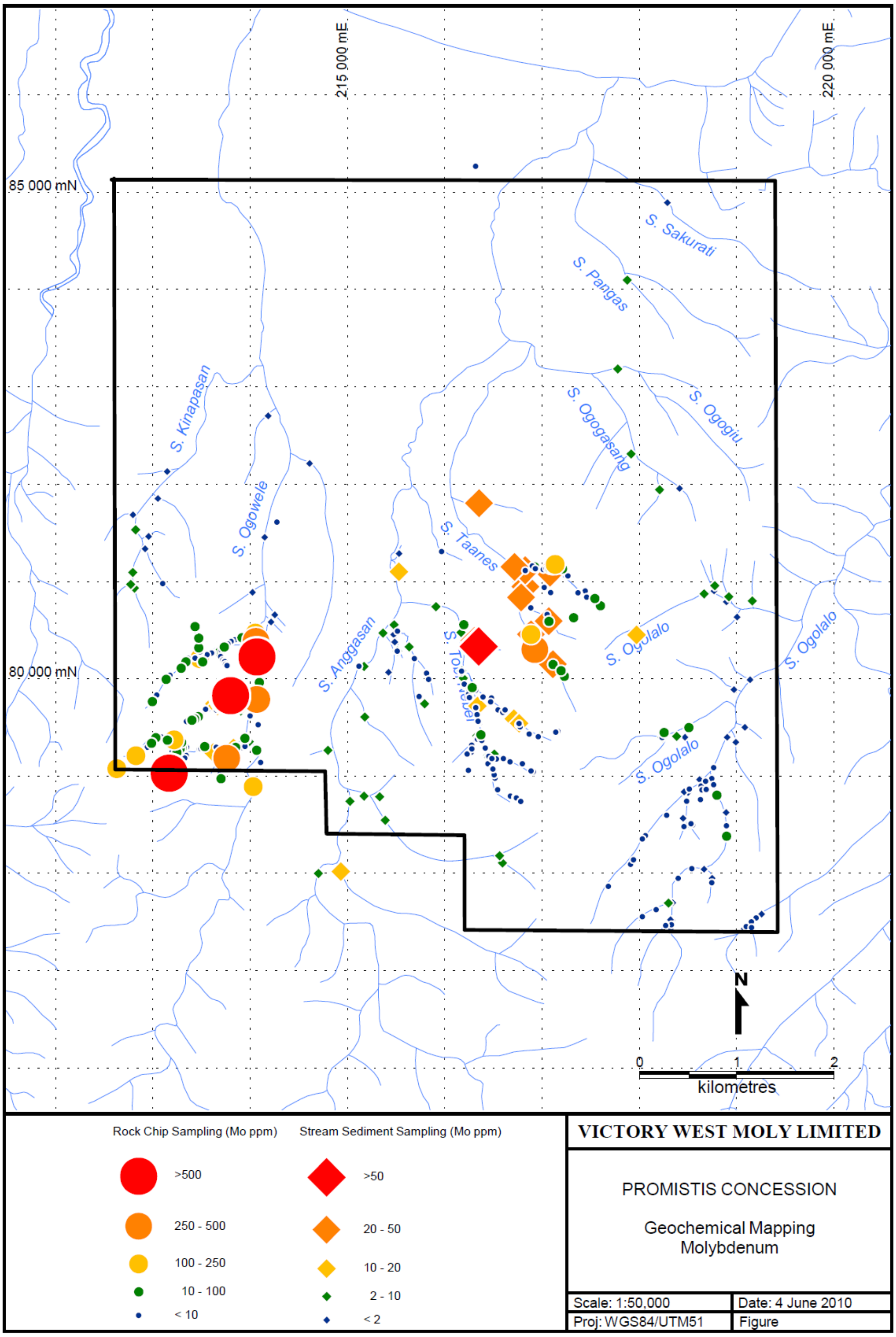


Figure 5 – Stream sediment and rock chip sample locations and molybdenum results within the Promistis IUP. Anomalous samples define a target area approximately 3km x 3km in size.

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 data in this report that relates to Exploration Results, Resources and Reserves is based on information reviewed and evaluated by Mr Brett Gunter who is a member of The Australian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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 Gunter is a fulltime employee of GMT Indonesia and he consents to the inclusion in the report of the Exploration Results and/or Mineral Resource and/or Reserve in the form and context in which they appear.

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 responsible

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 and the granting of options. However they do not receive 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;
- Reviewing as required, the compensation arrangements for directors.

PRINCIPLE 2 STRUCTURE THE BOARD TO ADD VALUE

1. A majority of the Board should be independent directors.

This recommendation is satisfied.

2. The chairperson should be an independent director.

This recommendation is satisfied.

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

This recommendation is satisfied.

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.

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

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.

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 behavior.

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

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.

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.

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

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

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

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

This recommendation is satisfied.

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.

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 CEO 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 CEO 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

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.

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 2010 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 the Chief Executive Officer of Muzz Buzz Franchise Pty Ltd and a consultant of McDonald Pynt Lawyers.

Currently Mr. Pynt is a non-executive chairman of Richfield International Limited for the last 4.5 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 4 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, Blaze International Limited from 21 October 2009, Prime Minerals Limited from 21 October 2009 and Power Resources Limited from 21 October 2009.

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. He has held no Directorships in other listed companies in the last three years.

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 Director and the Company Secretary for Pan Asia Corporation :Ltd.

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 $2,007,619 (2009: $1,152,503).

REVIEW OF OPERATIONS

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

FUTURE DEVELOPMENTS

The Company will continue to explore and evaluate its Malala Molybdenum project and the USSU Nickel 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 2010.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the year end there has been a number of key events, including;

General Meeting of Shareholders

On 13 August 2010 at a General Meeting of Shareholders approval was granted for the following;

- Ratification and approval for the past issue of securities including 20,000 Options ($0.20, 24 February 2012 expiry) and 11,000,000 Ordinary Shares.
- Ratification and approval for the issue of 5,000,000 Listed Options ($0.20, 24 February 2012 expiry)
- The approval to issue 1,000,000 Incentive Options to the current directors of the Company.
- The approval to issue 6,650,000 Listed Options and 6,250,000 Incentive Options to executives and consultants to the Company.
- The approval to place up-to $5,000,000 within 3 months from the date approval at a minimum price of no less than 80% of the average five day market price of the Company's Ordinary Share preceding the allotment date.

For further details on the resolutions approved by shareholders at the General Meeting on 13 August 2010 please review the Notice of Meeting dated 12 July 2010.

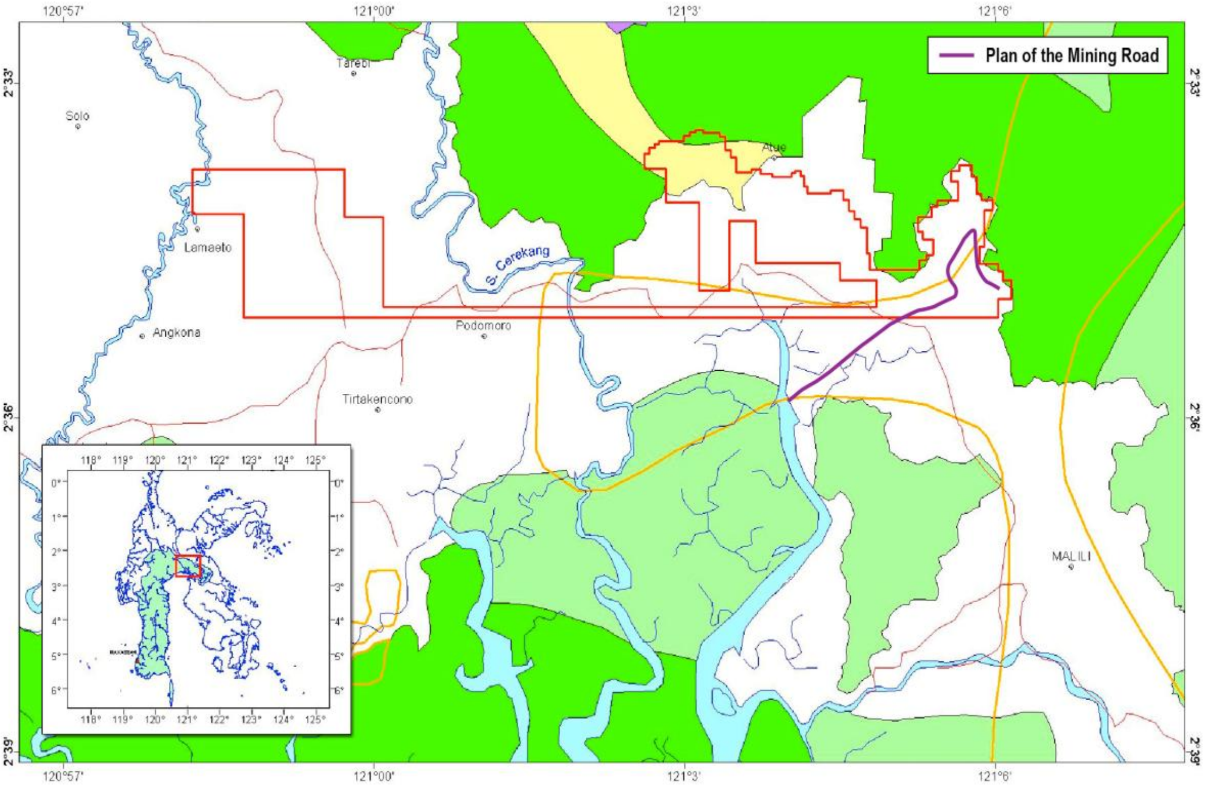
$1.25 million Placement

On the 6th of September 2010 the Company completed a $1.25 million placement to sophisticated and professional Investors through the issue of 10,416,666 Ordinary Shares at an issue of $0.12 (12 cents).

USSU Nickel Project

On the 27 August 2010, the Company announced that it had entered into a binding agreement with Oceantide Investments Pty Ltd ("Oceantide") for the right to acquire, subject to due diligence, Oceantide's rights to a highly prospective direct shipping ore (DSO) nickel project in South Sulawesi, Indonesia. As disclosed, Oceantide has secured the right to acquire 70% equity interest in a prospective nickel exploration IUP concession held by Indonesian entity PT. Primara Utama Lestari ("PT PUL") through making certain payments in a combination of cash and scrip and sole funding the project to production. To date, Oceantide has helped fund PT PUL's operational commitments and has undertaken initial legal and title due diligence as well as undertaken a preliminary scoping study assessment of the project.

The IUP concession area covers approximately 1,608 hectares and is located in Malili East Luwu in South Sulawesi and has an initial exploration target of 35-45Mt at 1.2% to 1.6% Ni[1]. Historical exploration work indicates potential low stripping ratio with well developed mineralisation at surface providing for potential low cost and rapid ramp-up to commercial production and cash flow with significant further upside through additional exploration.



[1] Notes on Exploration Targets: In accordance with Clause 18 of the JORC Code, it is noted that no JORC Minerals Resources or Ore Reserves have been established on these concessions and any current assessment remains subject to ongoing exploration work, drilling and evaluation. The current interpretation remains preliminary and is based on exploration, evaluation and resource definition work performed by the current owners.

USSU Nickel Concession Area

At the date of this report, the Company is progressing its due diligence investigations. Please see announcement dated 27 August for further details on the proposed acquisition.

China Guangshou Group Corp

On 3 September the Company announced that it had entered into a Memordanum of Understanding ("MOA") with China Guangshou Group Corp ("Guangshou" or "CGGC") that, subject to due dilgence, CGGC is to acquire a 65% interest in the Malal Molybdenum Project in consideration for committing to sole fund 100% of all funding required to take the Malala Molybdenum Project into large scale commercial production by 2016.

Under the proposed agreement, the Company and the Company's local BUMD (Regency owned enterprise) partner are to be free carried to large scale production (as defined below). As a result, the Company (through its group structure) and BUMD will hold a director or indirect interest of 27.5% and 5% respectively. A further 2.5% interest will be acquired by local Indonesian Chinese interests.

Upon finalising legal, tax and technical due diligence the parties are to enter into a formal Memorandum of Agreement ("MOA") that will set out detailed terms of the proposed transaction. Upon execution of the MOA, CGGC is to make a payment of US$500,000, and an additional US$500,000 payable with 70 days from the signing of the MOU.

During the sole funding period, GGGC have undertaken to meet certain milestones, including but not limited to the following;

- An initial exploration program of 10,000 metres (minimum) to be undertaken and reviewed by a geological consulting group of international standard.
- Definition of a suitable 43-1010 JORC resource that is capable of commercial production
- Delivery of early production opportunities from high grade mineralisation identified during exploration within 24 months.
- Development and construction of the Project for commercial production including mine development, processing plant and associated infrastructure.
- Minimum sustainable production target of 400,000 tonnes per month by 2016[2].

Please see announcement dated 3 September 2010 for further details on the MOU and CGGC.

Acquisition of the remaining 25% Interest in Victory West Pty Ltd

On 3 September 2010, the Company executed a binding Term Sheet to acquire, subject to shareholder approval the remaining 25% interest in Victory West Pty Ltd ("VW P/L") taking the Company's interest in the Malala Molybdenum project from 71.25% to 95% (prior to the proposed CGGC transaction).

The purchase consideration to be paid by VWM for the remaining 25% interest in VW P/L is 25million fully paid ordinary shares payable upon shareholder approval, 10million performance shares convertible to fully paid ordinary shares (on a 1 for 1 basis) upon the completion of an additional

[2] Note: VWM has not presently defined a JORC Ore Reserve or Resource. The production milestone is only a target defined in the MOU signed with CGGC and is not intended to be a forecast based on current exploration works conducted to date.

10,000m drilling program on the Malala Project; and $250,000 to be converted, at the election of VWM, to shares at VWM's next capital raising (post approval).

Granting of Production & Operational Licenses & Extension of Exploration Licenses

On 20 September 2010, the Company announced the successful grant of Production and Operational (Exploitation) IUP licenses for Inti Cemerlang and Promistis the two most strategic concessions that form the core of the Malala Molybdenum Project. 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).

In addition, 3 year exploration IUP license extensions have been granted for PT Era Moreco and PT Indo Surya Moreco concessions. It is expected that a 3 year exploration extension for the Sembilan Sumber Mas concession will be granted by end October 2010.

The conversion of PT Inti Cemerlang, PT Promistis, PT Era Moreco, PT Semilan Sumber Mas and Pt Indo Surya into Indonesia foreign investment companies ("PMA Companies") is now underway. It is expected that PT Inti Cemerlang will be converted by November 2010.

Other Events

On 14 July 2010 the Company's dormant subsidiary Eastern Prime Corporation Pte Ltd was de-registered.

On 6th of August 2010 the Company incorporated a new subsidiary – Victory West Moly (Singapore) Pte Ltd. The new company is wholly owned by Victory West Pty Ltd and will be used as a holding company for several of the soon to be converted Molybdenum PMA companies.

On 11 August the Company issued 2,000,000 ordinary shares for the provision of consulting services.

On 27 August 2010 the Company issued 500,000 ordinary shares for the provision of consulting services.

DIRECTORS' INTERESTS

The relevant interest of each director 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:

	2010		2009	
	Ordinary Shares	**Number of Options over Ordinary Shares[1]**	**Ordinary Shares**	**Number of Options over Ordinary Shares**
Mr. S Pynt	107,150	333,333	12,150	-
Mr. M Scivolo	-	333,333	-	-
Mr W Knight	175,000	333,334	175,000	-

[1] All options were issued subsequent to 30 June 2010. Refer to Note 25 for further details

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	7	7
Mr. M Scivolo	7	6
Mr W Knight	7	7

In addition there were sixteen (16) Circular Resolutions signed by the directors who were eligible to vote.

SHARE OPTIONS

At the date of this report, there were 76,654,650 listed options and 31,250,000 unlisted options (total 107,904,650) 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.

Since the end of the financial year, the Company has granted 1,000,000 performance 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. There have also been no legal proceedings during the year and no application for leave has been made in respect of the Company for proceedings on behalf of the Company.

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 Company does not provide retirement benefits, however directors may salary sacrifice an element of their total remuneration to superannuation. At 30 June 2010 there was no performance-based remuneration.

Robert Hyndes was appointed on 15th January 2010 as CEO. Mr Hyndes is employed on an open ended contract with one (1) month's termination notice.

Details of the remuneration of each Director and other Key Management Personnel are set out below.

2010	**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
Chief Executive Officer			
Rob Hyndes4	57,597	-	57,597
Total	**117,597**	**84,000**	**201,597**

[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] Appointed 15 January 2010

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
[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 Audit Pty Ltd, the Company's auditor, has not provided any non-audit services.

A copy of the lead auditors' independence declaration for the year ended 30 June 2010 has been received and can be found on page 28 of the Annual Report.

Grant Thornton Audit Pty Ltd 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

30th September 2010

Grant Thornton

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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 2010, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Director - Audit & Assurance

Perth, 30 September 2010

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

Report on the financial report

We have audited the accompanying financial report of Victory West Moly Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report 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 are 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. The directors also state, in the notes to the financial report, 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 which require us to 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 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 opinion.

Independence

In conducting our audit, we have complied with the 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 consolidated entity's financial position as at 30 June 2010 and of its 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 the notes to the financial statements.

Material 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(r) to the financial report the consolidated entity incurred a loss of $2,015,939 and had net cash outflows of $1,389,358 during the year ended 30 June 2010. These conditions, along with other matters as set forth in Note 1(r), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

GrantThornton

Report on the remuneration report

We have audited the remuneration report included in pages 26 to 27 of the directors' report for the year ended 30 June 2010. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Victory West Moly Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Director - Audit & Assurance

Perth, 30 September 2010

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 set out on pages 33 to 73 and the remuneration disclosures that are contained in pages 26 to 27 in the Remuneration Report contained in the Directors Report are in accordance with the Corporations Act 2001, including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

      ii. complying with Accounting Standards and Corporation Regulations 2001; and

      iii. complying with International Financial Reporting Standards as disclosed in Note 1

   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; and

   c. the remuneration disclosures that are contained in pages 26 and 27 of the Remuneration Report in the Directors Report comply with Accounting Standard AASB 124 Related Party Disclosures

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 2010.

On behalf of the Board

Mr. Steven Pynt

Director

30th September 2010

Statement of Comprehensive Income – For the Year Ended 30 June 2010

	Note	Consolidated Entity	
		2010 $	2009 $
Revenue	4	126,850	46,581
Depreciation and amortisation expense		(3,425)	(4,489)
Impairment Expense		-	(103,172)
Listing Fees		(91,447)	(140,564)
Management and consultancy fees		(1,224,715)	(563,805)
Insurance		(11,154)	(9,757)
Legal fees		(91,657)	(77,765)
Professional services fees		(159,170)	(270,803)
Travel costs & Accommodation		(149,297)	(16,802)
Finance Costs		(292,658)	-
Other expenses		(119,266)	(43,156)
Loss before income tax expense		(2,015,939)	(1,183,732)
Income tax expense	5	-	-
Loss for the year		(2,015,939)	(1,183,732)
Loss attributable to:			
Non controlling Interest		(8,320)	(31,229)
Members of the parent entity		(2,007,619)	(1,152,503)
		(2,015,939)	(1,183,732)
Other comprehensive income:			
Reversal of impairment loss previously recognised	20(c)	8,492	-
Exchange differences on translating controlled entities		(112,629)	(208,726)
Total other comprehensive income for the year		(104,137)	(208,726)
Total Comprehensive Income for the year		(2,120,076)	(1,392,458)
Total Comprehensive loss attributable to:			
Non controlling Interest		(8,320)	(31,229)
Members of the parent entity		(2,111,756)	(1,361,229)
		(2,120,076)	(1,392,458)
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
		Cents	**Cents**
Basic earnings per share (loss)	8	(2.18)	(0.02)
Diluted earnings per share (loss)	8	(2.18)	(0.02)

The accompanying notes form part of these financial statements.

Statement of Financial Position - As at 30 June 2010

	Note	Consolidated entity	
		2010 $	2009 $
Current Assets			
Cash & cash equivalents	9	411,526	1,807,232
Trade & other receivables	10	800,648	268,347
Prepayments		107,314	20,758
Total Current Assets		1,319,488	2,096,337
Non Current Assets			
Receivables	11	58,270	341,156
Property, plant & equipment	13	8,131	6,577
Exploration & evaluation expenditure	12	15,692,457	12,952,885
Other financial assets	14	17,716	9,224
Total Non Current Assets		15,776,574	13,309,842
Total Assets		17,096,062	15,406,179
Current Liabilities			
Trade & other payables	16	755,218	345,998
Short term provisions	17	9,508	-
Total Current Liabilities		764,726	345,998
Non -Current Liabilities			
Borrowings	18	2,000,000	-
Total non current liabilities		2,000,000	-
Total Liabilities		2,764,726	345,998
Net Assets		14,331,336	15,060,181
Equity			
Issued capital	19	13,260,223	11,752,989
Reserves	20(a)(b)(c)	4,657,160	4,749,377
Accumulated losses	21	(3,554,560)	(1,546,941)
Parent entity interest		14,362,823	14,955,425
Minority equity interest		(31,487)	104,756
Total Equity		14,331,336	15,060,181

The accompanying notes form part of these financial statements.

Statements of Changes in Equity - For the Year Ended 30 June 2010

CONSOLIDATED ENTITY	Note	Issued Capital	Foreign Currency Translation	Option Reserve	Outside Equity Interest	Financial Assets Reserve	Accumulated Losses	Total
Balance at 1 July 2008		12,688,143	5,542	-	-	-	(9,394,438)	3,299,247
Loss attributable to members of parent entity	21	-	-	-	-	-	(1,152,503)	(1,152,503)
Other comprehensive losses		-	(208,726)	-	-	-	-	(208,726)
Sub-total		12,688,143	(203,184)	-	-	-	(10,546,941)	1,938,018
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
Balance at 30 June 2009		11,752,989	(203,184)	4,952,561	104,756	-	(1,546,941)	15,060,181
Balance at 1 July 2009		11,752,989	(203,184)	4,952,561	104,756	-	(1,546,941)	15,060,181
Loss attributable to members of parent entity	21	-	-	-	-	-	(2,007,619)	(2,007,619)
Other comprehensive income		-	(112,629)	-	-	8,492	-	(104,137)
Sub-total		11,752,989	(315,813)	4,952,561	104,756	8,492	(3,554,560)	12,948,425
Contributions of equity, net of transaction costs		1,507,234	-	11,920	-	-	-	1,519,154
Recognition of outside equity interest		-	-	-	(136,243)	-	-	(136,243)
Balance at 30 June 2010		**13,260,223**	**(315,813)**	**4,964,481**	**(31,487)**	**8,492**	**(3,554,560)**	**14,331,336**

Statement of Cash Flows - For the Year Ended 30 June 2010

	Note	Consolidated entity	
		2010 **$**	**2009** **$**
Cash Flows from Operating Activities			
Receipts from customers		66,036	-
Payments to suppliers and employees		(2,405,837)	(1,311,740)
Interest received		10,880	33,838
Payments of deposits		(147,195)	-
Net cash (used in) operating activities	24	(2,476,116)	(1,277,902)
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(1,575,746)	(3,454,472)
Purchase of property plant and equipment		(6,164)	(7,185)
Loans to other entities		(1,307,828)	(500,000)
Repayment of loans to other entities		800,000	300,000
Net cash (used in) investing activities		(2,089,738)	(661,657)
Cash Flows from Financing Activities			
Interest paid		(192,658)	
Proceeds from issue of option		11,920	-
Proceeds from issue of shares		1,500,000	4,767,739
Proceeds from borrowings		2,000,000	-
Share issue transaction costs		(142,766)	(292,832)
Net cash provided by financing activities		3,176,496	4,474,907
Net increase/(decrease) in cash and cash equivalents		(1,389,358)	(464,652)
Cash and cash equivalents at the beginning of the financial year		1,807,232	2,271,884
Effect of exchange rates on cash holdings in foreign currencies		(6,348)	-
Cash and cash equivalents at the end of the financial year	9	411,526	1,807,232

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2010

1. Statement of Significant Accounting Policies

The financial report covers the consolidated entity of Victory West Moly Limited and controlled entities (the "Group"). Victory West Moly Limited is a listed public company, incorporated and domiciled in Australia. The financial report was authorised for issue by a resolution of the Board of Directors on 30 September 2010.

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 group but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

- AASB 9: Financial Instruments, AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9(applicable for annual reporting periods ending on or after 31 December 2013). The revised AASB 9 supersedes the previous AASB 139 and introduces new classification and measurement of financial assets, AASB 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. The changes are not expected to have a significant effect on the financial statements as the Company has minimal financial assets held at fair value.

- AASB 124:Related Party Disclosures, AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124 (applicable for annual reporting periods ending on or after 31 December 2011). This amendment to AASB 124 amends the disclosure requirements for government related entities and the definition of a related party. No changes are expected to affect the group as the entity is not a government related entity.

- AASB 2009-8: Amendments to Australian Accounting Standards – Group cash settled share based payment transactions (AASB 2) (applicable for annual reporting periods ending on or after 31 December 2010). This amendment of AASB 2 clarifies the accounting for group cash settled share based payment transactions and clarifies the scope of requiring an entity that receives the goods to account, no matter which entity in the group settles the transaction. The amendments are not expected to have a significant impact on the Company as it does not undertake significant group cash settled share based transactions.
- AASB 2009-9: Amendments to Australian Accounting Standards – Additional Exemptions for First Time Adopters (applicable for annual reporting periods ending on or after 31 December 2010). AASB 2009-9 makes amendments to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process. As these is not the first year of adoption of IFRSs, these amendments will not have any impact on the entity's financial report.
- AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issue (applicable for annual reporting periods ending on or after 31 January 2011). This amendment clarifies that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers it pro rata to all existing owners of the same class of its non – derivative equity instruments. These amendments will not have any significant impact on the entity.
- AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 (applicable for annual reporting periods ending on or after 31 December 2013). The revised standard introduces a number of changes to the accounting for financial assets, which includes two categories for financial assets being amortised or fair value, removal of the requirement to separate embedded derivatives, strict requirements to determine which financial assets can be classifies as amortised cost or fair value and changes to the accounting and additional disclosures for equity instruments. The amendments are not likely to have a significant impact other than disclosure requirements.
- AASB 2010-02: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods ending on or after 30 June 2014). This standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements. No significant impact is expected other than disclosure requirements.
- AASB 2010-03: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods ending on or after 30 June 2011). This amendment limits the scope of the measurement choices of non- controlling interest at proportionate share of net assets in the event of liquidation. It requires an entity to account for the replacement of the acquire share based payment transactions and eliminates the requirement to restate financial statements for a reporting period when significant influence is lost. No significant impact is expected other than disclosure requirements.
- AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting period ending on or after 31 December 2010). The amendments result in accounting changes for presentation, recognition or measurement purposes. The impact is unlikely to be significant to the entity.
- AASB 2009-12: Amendments to Australian Accounting Standards (applicable for annual reporting period ending on or after 31 December 2011). This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The amendments will not have any impact other than disclosure requirements.

- AASB 2009-13: Amendments to AASB 1 arising from Interpretation 19(applicable for annual reporting period ending on or after 30 June 2011). This standard amends AASB 1 to allow a first time adopter to use the transitional provisions in Interpretation 19. As the entity is not a first time adopter of IFRS, there will not be any impact.
- AASB 2010-01: Limited exemption from comparative AASB 7 disclosures for first time adopters (applicable for annual reporting period ending on or after 30 June 2011). These amendments principally give effect to extending the transition provisions of AASB 2009-3. As the entity is not a first time adopter of IFRS, there will not be any impact.
- AASB 2010-04: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting period ending on or after 31 December 2011). This amendment emphasizes the interaction between quantitative and qualitative AASB disclosures, clarifies that an entity will present an analysis of other comprehensive income for each component of equity, provides guidance to illustrate how to apply disclosure principles in AASB 134 and clarify that when the fair value is measured for which they can be redeemed, the amount of discounts granted is to be taken into account.
- AASB 1053: Application of Tiers of Accounting Standards (applicable for annual reporting period ending on or after 30 June 2014). This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements. This standard is not likely to have an impact on the financial report as the entity would be considered to be a tier 1 entity.
- Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods ending on or after 30 June 2011). This interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. As the entity has not renegotiated any financial liabilities, it is not expected to have any impact on the entity's report.
- AASB 2009-14: Prepayments of a minimum funding requirement (applicable for annual reporting period ending on or after 31 December 2011). This amendment addresses the unintended consequences that can arise from the previous requirements when an entity prepays future contributions into a defined benefit pension plan. As the entity does not have a defined benefit pension plan, this amendment will not have any impact on the entity.

Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of [insert company name] Listed Public Limited.

<u>AASB 8: Operating Segments</u>

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Impairment testing of the segment's goodwill

AASB 136: Impairment of Assets, para 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer's CGUs, or group of CGUs that are expected to benefit from the synergies of the combination. Each cash generating unit (CGU) which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined the implementation of AASB 8 has not impacted the CGUs of each operating segment.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

<u>AASB 101: Presentation of Financial Statements</u>

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

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 2010 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.

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. Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. 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 statement of comprehensive income 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% - 40%
Office Equipment	12.5% - 40%

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.

e. 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.

f. 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 and 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 and 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 the statement of comprehensive income 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. Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

vi. Financial liabilities

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

g. Impairment of Non-Financial 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 statement of comprehensive income.

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.

h. 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.

During the year there was no impairment of Exploration and Evaluation, in 2009 an expense of $103,172 was recognized in the statement of comprehensive income

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.

i. 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 statement of comprehensive income, 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 statement of comprehensive income.

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 statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

j. 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.

k. 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.

l. 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).

m. 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.

n. 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.

o. 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.

p. 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.

q. 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.

r. Going Concern

The financial statements for the year have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst acknowledging the inherent uncertainties of progressing to productive mining operations, the Directors consider this to be appropriate.

During the year the consolidated entity incurred a loss of $2,015,939. Net cash outflows during the period of were $1,389,358.

The Directors consider the basis of going concern to be appropriate for the following reasons:

- the shareholders decision on 13 August 2010 authorizing the raising of $5,000,000 at up to a 20% discount to the 5 day volume weighted average price of shares.
- the demonstrated ability to obtain funding through equity issues.

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.

The ability of the consolidated entity to continue as a going concern is also dependent upon the successful exploitation of its mineral tenements and progression of its exploration activities into a successful production stage.

The Directors recognise that the above factors represent a material uncertainty as to the consolidated entity's ability to continue as a going concern. Whilst continued growth is dependent on the consolidated entity 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.

s. Comparative Figures

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

t. Critical Accounting Estimates and Judgments

The application of accounting policies requires the use of judgments, 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 $15.7m.

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 group, 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 2010, the Group had the following exposure to US$ foreign currency:

	Consolidated entity	
	2010	**2009**
	$	**$**
Financial Assets		
Cash and cash equivalents	117,321	92,936
Loans and receivables	60,607	341,156
	177,928	434,092
Financial Liabilities		
Trade and other payables	-	(20,760)
Net exposure	177,928	413,332

The Parent has a loan with a related entity 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 2010, 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 Higher/(Lower)		Equity Higher/(Lower)	
	2010 **$**	**2009** **$**	**2010** **$**	**2009** **$**
Consolidated				
AUD/USD +10%	11,732	7,218	6,061	34,115
AUD/USD - 5%	(5,866)	(3,609)	(3,030)	(17,058)

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 group 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 group'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 2010.

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 2010	**≤ 6 months $**	**6-12 months $**	**1-5 years $**	**> 5 years $**	**Total $**
Consolidated financial assets					
Cash and cash equivalents	411,526	-	-	-	411,526
Loans and receivables	792,546	60,607	5,765	-	858,918
Available for sale financial assets	-	17,716	-	-	17,716
	1,204,072	78,323	5,765	-	2,147,078
Consolidated financial liabilities					
Trade and other payables	633,469	121,749	-	-	755,218
Borrowings	-	2,000,000	-	-	2,000,000
	633,469	2,121,749	-	-	2,755,218

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	
	2010 $	2009 $
Financial Assets		
Cash and cash equivalents	411,526	1,807,232
Net exposure	411,526	1,807,232

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

At 30 June 2010, 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 Higher/(Lower)		Equity Higher/(Lower)	
	2010 $	2009 $	2010 $	2009 $
Consolidated				
AUD/USD + 1% (100 basis points)	11,094	8,580	-	-
AUD/USD - .5% (50 basis points)	(5,547)	(4,290)	-	-

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.

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.

	2010		2009	
	Carrying amount $	**Net fair value $**	**Carrying amount $**	**Net fair value $**
Financial Assets				
Cash and cash equivalents	411,526	411,526	1,807,232	1,807,232
Trade and other receivables	800,648	800,648	268,347	268,347
Available-for-sale financial assets – listed investments	17,716	17,716	9,224	9,224
	1,229,890	1,229,890	2,084,803	2,084,803
Financial Liabilities at Amortised Cost				
Other payables and amounts due	755,218	755,218	345,998	345,998
Borrowings	2,000,000	2,000,000	-	-
	2,755,218	2,755,218	345,998	345,998

2010	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial Assets				
Available-for-sale financial assets	17,716	-	-	17,716
	17,716	-	-	17,716

2009	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial Assets				
Available-for-sale financial assets	9,224	-	-	9,224
	9,224	-	-	9,224

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments.

Derivative instruments are included in Level 2 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.

3. Segment Information

Description of segments

The following table presents revenue and profit information and certain asset and liability information regarding the relevant segments for the year ended 30 June 2010 for the group.

The chief operating decision-maker has been identified as the Board of Victory West Moly Limited.

The reportable segments have been identified around geographical areas and regulatory environments. Operating segments have been aggregated where segments are considered to have similar economic characteristics. Specifically PT Sulawesi Molybdenum Management is the Indonesian reporting segment.

The Australian reporting segment derives its revenues from its investments in the entities making up the Indonesian reporting segment and from interest on its cash deposit. It is intended that the Indonesian reporting segment will derive revenue from the commercial exploitation of the exploration assets it currently holds.

Transactions between reportable segments are accounted for in the same manner as transactions with external parties.

Segment performance

Year ended 30 June 2010 **Segment result**	Australia $	Indonesia $	Total $
Other revenue	126,850	-	126,850
Total Segment Revenue	126,850	-	126,850
Segment net loss before tax	(1,990,885)	(25,054)	(2, 015,939)
Reconciliation of segment result to Group loss			-
Net loss before income tax			(2,015,939)

Segment assets and liabilities	**Australia** **$**	**Indonesia** **$**	**Total** **$**
Segment assets	1,594,539	15,501,523	17,096,062
Unallocated Assets			-
Total assets			17,096,062
Segment liabilities	(2,764,726)	-	(2,764,726)
Unallocated Liabilities			-
Total Liabilities			(2,764,726)

Other segment information

Depreciation and amortisation expense	(1,773)	(1,652)	(3,425)

Year ended 30 June 2009	Australia	Indonesia	Total
Segment result	**$**	**$**	**$**
Other revenue	35,808	10,773	46,581
Total Segment Revenue	35,808	10,773	46,581
Segment net loss before tax	(1,075,109)	(108,623)	(1,183,732)
Reconciliation of segment result to Group loss			
Unallocated items			-
Net loss before income tax			(1,183,732)

	Australia	Indonesia	Total
Segment assets and liabilities	**$**	**$**	**$**
Segment assets	2,203,969	13,202,210	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	
	2010 **$**	**2009** **$**
Interest received	41,455	35,808
Sundry Income	84,029	-
Foreign currency benefit	1,366	10,773
Total revenue	126,850	46,581

5. Income Tax Expense

Reconciliation of income tax expense to prima facie tax payable

	Consolidated entity	
	2010 $	**2009 $**
Loss from ordinary activities before income tax expense	(2,015,939)	(1,183,732)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2009: 30%)	(604,782)	(355,120)
Tax effect of amounts which are taxable (deductible) in calculating taxable income:		
- non-deductible expenditure	-	1,200
- accrued interest receivable	(9,173)	(591)
- impairment expenses	-	1,149
- transaction costs on equity issue	8,499	(6,936)
- capitalised legal fees	27,379	23,329
- capitalised consulting fees	18,000	49,695
- Movement in accruals	98,831	-
- prior year adjustment	-	-
	(461,246)	(287,274)
Deferred tax assets not recognised	461,246	287,274
Income tax expense	-	-
Unused tax losses for which no deferred tax asset has been recognised	5,032,378	3,386,271
Potential Tax Benefit at 30%	1,509,713	1,015,881

Income tax benefit due to timing differences not brought to account. Deferred tax liability is reduced to nil by benefits attributable to tax losses not brought to account.

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.*

6. 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
Mr Rob Hyndes	Chief Executive Officer (appointed 15th January 2010)

	Consolidated entity	
a) Compensation	**2010 $**	**2009 $**
Short term employee benefits	117,597	60,000
Post Employment Benefits*	84,000	84,000
	201,597	144,000

**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 09	Received as Compensation	Consolidation Effect [1]	Net Change Other [2]	Balance 30 Jun 10
Mr S Pynt	-	-	-	-	-
Mr M Scivolo	-	-	-	-	-
Mr W Knight	-	-	-	-	-
Mr L Martino	400,000	-	-	-	400,000
Mr R Hyndes	-	-	-	200,000	200,000
Total	400,000	-	-	200,000	600,000

	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	4,233,000	-	(4,021,350)	188,350	400,000

1 During the 2009 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 09	Received as Compensation	Consolidation Effect	Net Change Other	Balance 30 Jun 10
Mr S Pynt	12,150	-	-	95,000	107,150
Mr M Scivolo	-	-	-	-	-
Mr W Knight	175,000	-	-	-	175,000
Mr L Martino	232,609	-	-	400,000	632,609
Mr R Hyndes	-	-	-	170,000	170,000
Total	419,759	-	-	665,000	1,084,759

Number of Shares held by Key Management Personnel

	Balance 1 Jul 08	Received as Compensation	Consolidation Effect [1]	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

[1]*During the 2009 year, the Company completed a 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.

7. Auditors' Remuneration

	Consolidated entity	
Remuneration of the auditor of the parent entity for:	**2010 $**	**2009 $**
- Auditing or reviewing of financial reports	37,974	32,550
Remuneration of other auditors of subsidiaries for:		
Remuneration of the auditor of the subsidiary entity for:		
- Auditing or reviewing of financial reports	12,556	11,754

8. Earnings per share

	Consolidated entity	
	2010 $	**2009 $**
Loss attributable to ordinary equity holders	(2,007,619)	(1,152,503)
Earnings used to calculate basic and diluted EPS	(2,007,619)	(1,152,503)
	No.	**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	92,244,344	57,728,000
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	92,244,344	57,728,000

Anti-dilutive options have not been used in the EPS calculation. As at 30 June 2010 there were 101,044,344 options outstanding

9. Cash and Cash Equivalents

	Consolidated entity	
	2010 $	**2009 $**
Cash at bank and in hand	411,526	1,807,232

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	411,526	1,807,232

10. Trade and other Receivables

	Consolidated entity	
	2010 $	**2009 $**
Trade receivables	60,073	206,560
Other receivables	40,575	61,787
Loan to XS Platinum Ltd	700,000	-
	800,648	268,347

The loan to XS Platinum Ltd was made on 24th of July 2009 as part of an agreement to merge operations. The agreement was subsequently terminated and repayment of the loan is now due. The Directors are confident that the amount will be recovered in full within the next twelve months.

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due.

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 10. 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	
	2010 $	**2009 $**
Australia	792,546	268,347
Indonesia	8,102	-
	800,648	268,347

11. Non current Trade and Other Receivables

	Consolidated entity	
	2010 $	**2009 $**
Other Receivables	58,270	341,156
	58,270	341,156

Other receivables include deposits on Indonesian Molybdenum Mining Concessions (IUP's) and leased office premises.

12. Deferred Exploration And Evaluation Expenditure

	Consolidated entity	
	2010 $	**2009 $**
Opening balance	12,952,885	-
Increase for expenditure incurred on acquisition	-	8,603,224
Increase for expenditure incurred	2,739,572	4,452,833
Decrease for expenditure impaired	-	(103,172)
Balance at end of the year	15,692,457	12,952,885

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 entitys' 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.

13. Property Plant & Equipment

	Consolidated entity	
	2010 $	**2009 $**
Office Equipment at cost	13,005	7,184
Less accumulated depreciation	(4,874)	(607)
	8,131	6,577

	Office Equipment $	**Total $**
Balance at 1 July 2008		
Additions	7,184	7,184
Disposals	-	-
Depreciation expense	(607)	(607)
Balance at 30 June 2009	6,577	6,577
Additions	6,164	6,164
Allocation to exploration & evaluation expenditure	(1,185)	(1,185)
Disposals	-	-
Depreciation expense	(3,425)	(3,425)
Balance at 30 June 2010	8,131	8,131

14. Other Financial Assets

	Consolidated entity	
	2010 $	2009 $
(a) Available-for-sale financial assets comprise		
(i) Listed Investments, at fair value		
- Shares in Australian listed corporations	17,716	9,224
Total available-for-sale financial assets	17,716	9,224

The fair value of listed investments are determined in whole by reference to the quoted market bid price at balance date. In the 2010 year the reversal of the prior year impairment losses of $8,492 was recognised in other comprehensive income. (2009: $3,830 of impairment was recognised in the statement of comprehensive income).

15. Controlled Entities

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

	Country of Incorporation	Class of Shares	Percentage Interest	
			2010 %	2009 %
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	75
PT Sulawesi Molybdenum Management[#]	Indonesian	Ordinary	71.25	71.25
PT Inti Cemerlang [1#]	Indonesian	N/A [1]	71.25	71.25
PT Era Moreco [1#]	Indonesian	N/A [1]	71.25	71.25
PT Indo Surya Moreco [1#]	Indonesian	N/A [1]	71.25	71.25
PT Sembilan Sumber Mas [1#]	Indonesian	N/A [1]	71.25	71.25
PT Satria Mas [1*]	Indonesian	N/A [1]	71.25	71.25
PT Promistis [1#]	Indonesian	N/A [1]	71.25	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.

* Note that these companies are dormant and are in the process of being wound up

These companies hold mining tenements in Indonesia

16. Trade and Other Payables

	Consolidated Entity	
	2010 $	**2009 $**
Unsecured liabilities		
Trade payables	270,146	200,017
Sundry payables and accrued expenses	347,926	24,232
Other payables	17,146	1,749
Payable to related entity	120,000	120,000
	755,218	345,998

Payable to related entity is unsecured and interest-free.

17. Short Term provisions

Opening balance 1 July 2009	-	-
Movement in provisions	9,508	-
Closing balance 30 June 2010	9,508	-

18. Borrowings

Non-current borrowings		
Convertible note	2,000,000	-
	2,000,000	-

The convertible note bears interest at 12% per annum, and has a maturity date of 11 September, 2011. The note is convertible at the higher of 30 cents or the 5-day average market share price. The Company has the option to repay the note within 90 days upon receipt of a conversion notice.

19. Contributed equity

	Consolidated entity	
	2010 $	**2009 $**
101,044,344 (2009: 90,044,344) fully paid ordinary shares	13,260,223	11,752,989
	13,260,223	11,752,989

a) Ordinary Shares

	2010 $	2009 $
At the beginning of the reporting period	11,752,989	12,688,143
Share placement (i)	150,000	-
Issue of shares(ii)	1,500,000	-
Issue of shares in prior years	-	8,295,375
Transaction costs	(142,766)	(2,127,632)
Reallocation of reserves	-	(534,176)
Option rights conversions	-	2,431,279
Reduction of capital	-	(9,000,000)
At reporting date	13,260,223	11,752,989

	No. Shares	**No. Shares**
At the beginning of reporting period	90,044,344	828,223,865
Share placement (ii)	10,000,000	209,037,516
Issue of shares pre consolidation	-	500,000,000
Option conversion pre consolidation	-	9,016,430
Reduction due to Consolidation	-	(1,468,964,044)
Issue of shares post consolidation	-	525,000
Share placement (i)	1,000,000	500,000
Option conversions	-	11,705,577
At reporting date	101,044,344	90,044,344

i. 19 March 2010, the Company issued 1,000,000 ordinary shares at a deemed value of $0.15 per share as payment for consultancy services.

ii. 21 April 2010, the Company raised $1,500,000 (gross) through the issue of 10,000,000 ordinary shares at $0.15 per share through a placement to sophisticated investors.

Ordinary shares have no par value and 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	
	2010 $	2009 $
Total borrowings	2,755,218	345,998
Less cash and cash equivalents	(411,526)	(1,807,232)
Net debt	2,343,692	(1,461,234)
Total equity	13,260,223	11,752,989
Total capital	15,603,915	11, 0,291,755

20. 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	
	2010 $	**2009 $**
At the beginning of the reporting period	4,952,561	-
Reallocation of reserves	-	534,176
Issue of options during the year (i)	11,920	4,418,385
At reporting date	**4,964,481**	**4,952,561**

	No. Options	**No. Options**
At the beginning of reporting period	78,084,650	243,128,161
Issued during the year pre consolidation	-	-
Options converted to shares pre consolidation	-	(9,016,430)
Reduction due to consolidation	-	(222,406,154)
Options converted to shares after consolidation	-	(11,705,577)
Issued after consolidation (i)	11,920,000	78,084,650
At reporting date	**90,004,650**	**78,084,650**

At 30 June 2010, the Company had

- 65,004,650 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.

(i) 1 October 2009, the Company raised $11,900 (gross) through the issue of 11,900,000 options at $0.001 per option. An additional $20 (gross) was raised through the issue of 20,000 options at $0.001 on 22 October 2009.

	Consolidated entity	
	2010 $	**2009 $**
b) Foreign Currency Translation Reserve	(315,813)	(203,184)
Balance at the beginning of the financial year	(203,184)	5,542
Adjustment arising from the translation of the financial statements of foreign controlled entities	(112,629)	(208,726)
Balance at the end of the financial year	(315,813)	(203,184)

	Consolidated Entity	
c) Financial Assets Reserve	**2010 $**	**2009 $**
	8,492	-
Balance at the beginning of the financial year	-	-
Adjustment arising from the revaluation of investments in listed entities	8,492	-
Balance at the end of the financial year	8,492	-

21. Accumulated Losses

Accumulated losses at the beginning of the financial year.	(1,546,941)	(9,394,438)
Reduction of capital	-	9,000,000
Loss attributable to members of the parent entity	(2,007,619)	(1,152,503)
Accumulated losses at the end of the financial year	(3,554,560)	(1,546,941)

22. 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$3,533,528 leaving a commitment of A$5,386,084 (US$4,590,560) remaining.

23. Contingent Assets & Liabilities

At balance date there were no contingent assets or liabilities.

24. Cash Flow Information

Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities

	Consolidated entity	
	2010 **$**	**2009** **$**
Loss after income tax	(2,007,619)	(1,152,503)
Outside Equity Interest	(136,243)	104,756
Depreciation	3,425	607
Fair value adjustments to listed investments	-	3,829
Interest expense on convertible note	192,658	-
Changes in operating assets and liabilities (Increase)/decrease in:		
Trade and other receivables	(936,672)	(350,190)
Increase/(decrease) in:		
Trade payables and accruals	408,335	115,599
Net cash outflow from operating activities	(2,476,116)	(1,277,902)

25. Events After the Balance Sheet Date

Subsequent to the year end there has been a number of key events, including;

General Meeting of Shareholders

On 13 August 2010 at a General Meeting of Shareholders approval was granted for the following;

- Ratification and approval for the past issue of securities including 20,000 Options ($0.20, 24 February 2012 expiry) and 11,000,000 Ordinary Shares.
- Ratification and approval for the issue of 5,000,000 Listed Options ($0.20, 24 February 2012 expiry)
- The approval to issue 1,000,000 Incentive Options to the current directors of the Company.
- The approval to issue 6,650,000 Listed Options and 6,250,000 Incentive Options to executives and consultants to the Company.
- The approval to place up-to $5,000,000 within 3 months from the date approval at a minimum price of no less than 80% of the average five day market price of the Company's Ordinary Share preceding the allotment date.

For further details on the resolutions approved by shareholders at the General Meeting on 13 August 2010 please review the Notice of Meeting dated 12 July 2010.

$1.25 million Placement

On the 6th of September 2010 the Company completed a $1.25million placement to sophisticated and professional Investors through the issue of 10,416,666 Ordinary Shares at an issue of $0.12 (12cents).

USSU Nickel Project

On the 27 August 2010, the Company announced that it had entered into a binding agreement with Oceantide Investments Pty Ltd ("Oceantide") for the right to acquire, subject to due diligence, Oceantide's rights to a highly prospective direct shipping ore (DSO) nickel project in South Sulawesi, Indonesia.

At the date of this report, the Company is progressing its due diligence investigations. Please see announcement dated 27 August for further details on the proposed acquisition.

China Guangshou Group Corp

On 3 September the Company announced that it had entered into a Memordanum of Understanding ("MOA") with China Guangshou Group Corp ("Guangshou" or "CGGC") that, subject to due dilgence, CGGC is to acquire a 65% interest in the Malal Molybdenum Project in consideration for committing to sole fund 100% of all funding required to take the Malala Molybdenum Project into large scale commercial production by 2016.

Under the proposed agreement, the Company and the Company's local BUMD (Regency owned enterprise) partner are to be free carried to large scale production (as defined below). As a result, the Company (through its group structure) and BUMD will hold a director or indirect interest of 27.5% and 5% respectively. A further 2.5% interest will be acquired by local Indonesian Chinese interests.

Upon finalising legal, tax and technical due diligence the parties are to enter into a formal Memorandum of Agreement ("MOA") that will set out detailed terms of the proposed transaction. Upon execution of the MOA, CGGC is to make a payment of US$500,000, and an additional US$500,000 payable with 70 days from the signing of the MOU.

Please see announcement dated 3 September 2010 for further details on the MOU and CGGC.

Acquisition of the remaining 25% Interest in Victory West Pty Ltd

On 3 September 2010, the Company executed a binding Term Sheet to acquire, subject to shareholder approval the remaining 25% interest in Victory West Pty Ltd ("VW P/L") taking the Company's interest in the Malala Molybdenum project from 71.25% to 95% (prior to the proposed CGGC transaction).

The purchase consideration to be paid by VWM for the remaining 25% interest in VW P/L is 25million fully paid ordinary shares payable upon shareholder approval, 10million performance shares convertible to fully paid ordinary shares (on a 1 for 1 basis) upon the completion of an additional 10,000m drilling program on the Malala Project; and $250,000 to be converted, at the election of VWM, to shares at VWM's next capital raising (post approval).

Granting of Production & Operational Licenses & Extension of Exploration Licenses

On 20 September 2010, the Company announced the successful grant of Production and Operational (Exploitation) IUP licenses for Inti Cemerlang and Promistis the two most strategic concessions that form the core of the Malala Molybdenum Project. 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).

In addition, 3 year exploration IUP license extensions have been granted for PT Era Moreco and PT Indo Surya Moreco concessions. It is expected that a 3 year exploration extension for the Sembilan Sumber Mas concession will be granted by end October 2010.

The conversion of PT Inti Cemerlang, PT Promistis, PT Era Moreco, PT Semilan Sumber Mas and Pt Indo Surya into Indonesia foreign investment companies (“PMA Companies”) is now underway. It is expected that PT Inti Cemerlang will be converted by November 2010.

Other Events

On 14 July 2010 the Company’s dormant subsidiary Eastern Prime Corporation Pte Ltd.was de-registered.

On 6th of August 2010 the Company incorporated a new subsidiary – Victory West Moly (Singapore) Pte Ltd. The new company is wholly owned by Victory West Pty Ltd and will be used as a holding company for several of the soon to be converted Molybdenum PMA companies.

On 11 August the Company issued 2,000,000 ordinary shares for the provision of consulting services.

On 27 August 2010 the Company issued 500,000 ordinary shares for the provision of consulting services.

26. 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 6.

Purchases

Payments of $479,464 (2009: 306,233) were made to Indian Ocean Group Pty Ltd, 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 $57,275 outstanding as at 30 June 2010.

Payments of $10,182 were made to Pan Asia Corporation Ltd, an entity related to Mr. Luke Martino for the provision of a serviced office in Jakarta. These services were provided on normal commercial terms and conditions and at market rates. There was $18,372 outstanding as at 30 June 2010.

Payments of $57,596 were made to Splendour Investments Pty Ltd, an entity related to Mr. Robert Hyndes for the provision of executive consulting services. These services were provided on normal commercial terms and conditions and at market rates. There was $50,309 outstanding as at 30 June 2010.

Other Income

Receipts of $71,759 were received from Pan Asia Corporation Ltd, an entity related to Mr. Luke Martino for the supply of geological servies. These services were provided on normal commercial terms and conditions and at market rates. There was $7,993 outstanding as at 30 June 2010.

27. Parent Entity Disclosures

Parent Entity	2010 $	2009 $
Assets		
Current assets	1,104,734	2,005,589
Non current assets	15,822,999	13,433,753
Total Assets	16,927,733	15,439,342
Liabilities		
Current liabilities	596,397	156,151
Non current liabilities	2,000,000	-
Total Liabilities	2,596,397	156,151
Net Assets	14,331,336	15,283,191
Equity		
Issued capital	13,260,223	11,752,989
Reserves	4,972,973	4,952,561
Accumulated losses	(3,901,860)	(1,422,359)
Total Equity	14,331,336	15,283,191
Financial Performance		
Profit for the year	(2,479,500)	(1,075,110)
Other comprehensive income	8,492	-
Total comprehensive Income	(2,471,008)	(1,075,110)

Contingent Liabilities

Refer to Note 23.

Contractual Commitments

As at 30 June 2010 and 30 June 2009 the Parent Company had no contractual commitments.

Additional Information for Listed Public Companies

Equity Holder Information

a. Distribution of Shareholders (as at 29 September 2010)

Category (size of holding)	No. of shareholders	No. of shares	%
1 – 1,000	559	234,710	0.22
1,001 – 5,000	330	992,512	0.91
5,001 – 10,000	188	1,503,259	1.39
10,001 – 100,000	435	17,479,525	16.06
100,001 – and over	205	88,626,004	81.42
TOTAL	**1,717**	**108,836,010**	**100.00**

The number of shareholders holding less than a marketable parcel of 5,000 shares ($0.10 on 29 September 2010) is 889 and they hold a total of 1,227,222 shares.

b. Twenty Largest Shareholders (as at 29 September 2010)

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	%
JP Morgan Nominees Australia Limited <Cash Income A/C>	8,851,060	7.77
Impact Nominees Pty Ltd	5,000,000	4.39
Citicorp Nominees Pty Limited	2,246,138	1.97
Mr Stewart Philip Cranswick + Mrs Sally Rozanne Cranswick	1,800,000	1.58
Two Tops Pty Ltd	1,666,666	1.46
Impact Nominees Pty Ltd <Sydney Investment Account>	1,652,477	1.45
Hsbc Custody Nominees (Australia) Limited - A/C 3	1,634,608	1.43
Yellowrock Pty Ltd	1,400,000	1.23
Timriki Pty Ltd <Timriki A/C>	1,350,000	1.18
Eastern Investment Limited	1,342,500	1.18
Miss Tan Yen Yen	1,342,500	1.18
Boambee Bay Pty Ltd <Boambee Bay A/C>	1,320,709	1.16
Mdm Lim Poh Choo	1,317,500	1.16
Cintra Holdings Pty Ltd <Cintra A/C>	1,250,000	1.10
Texpoint Pty Ltd	1,175,000	1.03
Merrywest Investments Pty Ltd	1,146,852	1.01
Dr Geraldine Fusco	1,083,000	0.95
Mr Tan Chak Chew	1,067,500	0.94
Mr Harun Abidin	1,000,000	0.88
BWS Pty Ltd	1,000,000	0.88

c. Details of Substantial Shareholders (as at 29 September 2010)

Name	No. of shares	%
JP Morgan Nominees Australia Limited <Cash Income A/C>	8,851,060	7.77

d. Distribution of Listed Optionholders (as at 29 September 2010)

Category (size of holding)	No. of option holders	No. of options	%
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	2	15,483	0.02
10,001 – 100,000	35	1,981,743	2.59
100,001 – and over	76	74,657,424	97.39
TOTAL	**113**	**76,654,650**	**100.00**

e. Twenty Largest Optionholders of Listed Options (as at 29 September 2010)

The names of optionholders that are recorded in the Register of listed Optionholders (as at 29 September 2010) are as follows:

Name	No. of Options	% Of Units
Dempsey Resources Pty Ltd	10,000,000	13.05
Steelflow Pty Ltd	7,000,000	9.13
Impact Nominees Pty Ltd <Sydney Investment A/C>	5,000,000	6.52
Mrs Rebecca Leanne Newton	5,000,000	6.52
Transocean Nominees Pty Ltd	3,400,000	4.44
Fanucci Pty Ltd	2,500,000	3.26
Mr Bernd Neumann	2,150,000	2.80
Lighthouse Property Group Pty Ltd	2,000,000	2.61
Splendour Investments Pty Ltd	2,000,000	2.61
Ljm Capital Corporation Pty Ltd	1,800,000	2.35
Mr Steven John Bodey	1,600,000	2.09
Mrs Margaret Miles	1,534,650	2.00
Merrywest Investments Pty Ltd	1,500,000	1.96
Jaxonbridge Pty Ltd	1,290,000	1.68
Vassago Pty Ltd <Aston A/C>	1,159,687	1.51
Mr Shayne Peter Knight	1,000,000	1.30
Mr Brett Mckay	1,000,000	1.30
Real Gold Pty Ltd	1,000,000	1.30
Mr Anthony William Paul Sage	1,000,000	1.30
Bell Potter Nominees Ltd <Bb Nominees A/C>	950,000	1.24

f. Distribution of Unlisted Optionholders (as at 29 September 2010)

Category (size of holding)	No. of option holders	No. of options	%
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	2	200,000	0.64
100,001 – and over	13	31,050,000	99.36
TOTAL	**2**	**31,250,000**	**100.00**

g. Details of securities which are subject to escrow provisions (as at 29 September 2010)

	Number of shares
Ordinary fully paid shares, restricted for 24 months from date of quotation.	5,125,000
Total Escrowed Shares	**5,125,000**

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 – 313 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 (VWM).

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 – 313 Hay Street
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Western Australia 6008

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Mr Michael Scivolo
Mr Wayne Knight

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STOCK EXCHANGE LISTING
ASX Limited
ASX Code – VWM & VWMOA