

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Victory West Moly Limited

ABN

66 009 144 503

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(351)	(636)
(b) development	-	-
(c) production	-	-
(d) administration	(457)	(971)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(60)	(122)
1.6 Income taxes paid	-	-
1.7 Other (Deposits)	-	-
	(867)	(1,727)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(919)	(1,534)
1.11 Loans repaid by other entities	100	100
1.12 Other (provide details if material)	-	-
	(819)	(1,439)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,686)	(3,206)

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1.13	Total operating and investing cash flows (brought forward)	(1,686)	(3,206)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,775	4,025
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,328	1,328
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	4,103	5,353
	Net increase (decrease) in cash held	2,417	2,187
1.20	Cash at beginning of quarter/year to date	164	412
1.21	Exchange rate adjustments to item 1.20	(2)	(21)
1.22	Cash at end of quarter	2,578	2,578

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	23
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Issued 25,000,000 Ordinary Shares as part consideration for the acquisition of the remaining 25% of Victory West Pty Ltd

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-

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3.2 Credit standby arrangements	-	-
3.3 Short term loan receivable	2,084	-

Estimated cash outflows for next quarter

		\$A'000
4.1 Exploration and evaluation		500
4.2 Development		-
4.3 Production		-
4.4 Administration		350
Total		850

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,578	164
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,578	164

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	161,877,677	156,752,677		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	22,916,667 25,000,000	22,916,667 25,000,000	12 cents Part consideration for the acquisition of the remaining 25% in Victory West Pty Ltd	12 cents Part consideration for the acquisition of the remaining 25% in Victory West Pty Ltd
7.5 +Convertible debt securities <i>(description)</i>	Secured convertible note deed Unsecured convertible loans	- -	\$2 million \$1.328 million	\$2 million \$1.328 million
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Unsecured convertible loans Unsecured convertible loans	- -	\$1.578 million \$250,000	\$1.578 million \$250,000
7.7 Options <i>(description and conversion factor)</i>	78,737,984 25,000,000 3,250,000 ₁ 3,000,000 ₂	78,737,984 - - -	<i>Exercise price</i> 20 cents 20 cents 25 cents 25 cents	<i>Expiry date</i> 24 February 2010 31 December 2011 31 August 2014 31 August 2014
7.8 Issued during quarter	2,083,334	2,083,334	20 cents	31 December 2011
7.9 Exercised during quarter				

1 The Company issued performance options to key management personal that are exercisable upon the achievement of - The Company announcing to the ASX (or other recognised stock exchange) a JORC compliant resource of at least 120,000 tonnes (265 million pounds) of contained Molybdenum at a minimum grade of 600ppm either within one of the permits or total across all of the permits held at that time by the Company.

2 The Company issued performance options to key management personal that are exercisable upon the achievement of - The Company having a market capitalisation of \$80,000,000 Australian Dollars for 5 consecutive trading days.

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7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date:31 January 2011.....
(Director/Company secretary)

Print name:Luke Martino.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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