

ASX ANNOUNCEMENT

31 January 2012

VARIATION OF EXISTING CONVERTIBLE LOAN TERMS

Victory West Metals Limited (ASX: VWM, FSE: R1E) ("VWM") wishes to advise that it has varied the existing \$555,000 convertible loan terms. The facility is on the same terms as the previously announced to the ASX, except key variations are as follows:

- 1) convertible at the lower of 5 cents per share; or a price equal to 80% of the five (5) day VWAP immediately prior to the Conversion Date.
- 2) repayment date on or before 30 June 2012

In addition, the Company wishes to advise that it has accepted a further \$200,000 under the same facility and on the same terms.

The facility will allow the Company extra working capital to complete the transactions and associated costs anticipated. The SEAE transaction previously announced is expected to be presented to shareholders of the Company for their consideration in the coming months.

ENDS

About Victory West

Victory West Metals Ltd is a resource focused exploration company listed on the Australian Securities Exchange (ASX code: VWM) and Frankfurt Stock Exchange (FSE code: R1E), with a vision to find, prove and extract value from world class resource projects in South East Asia. The Company is building a resource portfolio with its cornerstone project Malala Molybdenum Project in the Toli Toli Province in North Sulawesi.

The Company has announced the signing of a Heads of Agreement to acquire 100% of South East Asia Energy Resources Pte Ltd (SEAE), a special purpose company registered in Singapore that has the rights to an 85% interest in the Penajam East coal project in East Kalimantan, Indonesia, with a pipeline of coal projects in East Kalimantan and initial offtake agreements. This agreement is subject to due diligence, completion of final legal agreements, shareholder approval and regulatory approvals if required.

For further information on VWM, please visit victorywest.com.au