



VICTORY WEST
MOLY LIMITED

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The Manager
Company Announcements Office
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\$500,000 – First Tranche Commitment Fee Received

Victory West Moly (ASX: VWM, FSE: R1E) is pleased to advise the receipt of \$500,000 representing the first tranche of the \$1million Commitment Fee from its joint venture partner China Guangshou Group Corp (CGGC) as part of their obligations to invest in the Malala Molybdenum Project in North Sulawesi, Indonesia.

The company is now finalising the required executed administrative letters upon which, CGGC will make the second and final \$500,000 payment.

ENDS

About Malala Joint Venture

On 27 November 2010, Victory West and CGGC entered into a memorandum of agreement (“MOA”) detailing the terms of the acquisition by CGGC of a majority interest in the Malala Molybdenum Project.

Under the terms of the agreement, CGGC will acquire a 65 per cent interest in the Project in consideration for sole funding 100 per cent of all expenditure to large scale Production. VWM will retain a “free carried” interest of 27.5 per cent in the Project through its related parties. CGGC will also pay a US\$1 million commitment fee (to be paid in 2 tranches of \$500,000).

Under the terms of the MOA, a number of key exploration, development and production milestones are required to be met by CGGC;

- Exploration - A minimum of 10,000 metres drilling to be reviewed by a geological consulting group of international standard. Definition of a suitable 43-101 / JORC resource that is capable of commercial production.
- Development - Development and construction of the Project for commercial production including mine development, processing plant and associated infrastructure
- Early Production - Delivery of early production opportunities from high grade mineralization identified during exploration within 24 months
- Large Scale Production - Subject to a total resource of no less than 150 million tons at 840ppm Mo CGGC will commence large scale production (open pit) by 2016.

About China Guangshou Group Corp

CGGC is a diversified international industrial group engaged in a broad range of operational and investment activities across industries including mining, engineering, construction and real estate (visit www.gsjt.cc for further information). It is a trans-regional and multi-industry group enterprise under the approval of the State Administration of Industry & Commerce

CGGC has accumulated more than 15 years of experience in mining development and investment since the commencement of the mining business in 1994, and has successfully established enterprises and teams in China (Guizhou, Sichuan, Fujian, Guangxi, Yunnan) and overseas (North Korea, Indonesia, Thailand, and Burma).

CGGC is engaged in the exploitation and development of mining of molybdenum, lead zinc, copper, manganese, iron, silver, gold and coal. It possesses over 10 independent corporate bodies, over 40 mining certificates, 6 mines, 3 mineral separation factories and 2 coking factories.