



VICTORY WEST MOLY LIMITED

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11 February 2010

Mr Wade Baggott
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Facsimile: 9221 2020

Dear Wade

I refer to your letter dated 9 February 2010 regarding the Appendix 5B for Victory West Moly Limited ("VWM" or the "Company") Quarterly report.

We set out below our responses to the questions raised in your letter.

1. **Is it possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?**

The Company is confident that it is able to fund its activities going forward. In addition, the Company is mindful of its future capital requirements and is currently evaluating a number of funding options available to it to meet its future requirements.

2. **Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?**

Whilst the Company is likely to have negative operating cash-flows in future quarters as it progresses its exploration activities in Indonesia, the Company will be managed in a way that ensures it has sufficient cash in order to fund these activities until such time as it is able to generate positive cash-flows. The Company is confident that any such funding, if required, will be secured.

3. **What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?**

The Company carefully monitors its ongoing expenditures requirements and is currently evaluating a number of funding options to meet its future capital requirements.

4. **Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?**

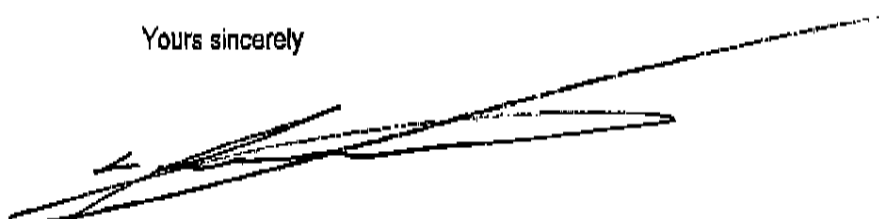
The Company confirms that in its opinion it is, and has been at all times, in compliance with listing rule 3.1.

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

The Company confirms that it is in compliance with Listing Rule 12.2. In particular, the Directors are of the view that the Company's balance sheet and relative size of liabilities are appropriate in light of the Company's current business strategy.

Should you have any queries in relation to this matter, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'LUKE MARTINO', written over a horizontal line.

LUKE MARTINO
Company Secretary



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9 February 2010

Luke Martino
Company Secretary
Victory West Moly Limited
311 Hay Street
SUBIACO WA 6008

By email: Luke@indianoceangroup.com.au

Dear Luke,

Victory West Moly Limited (the "Company")

I refer to the Company's Quarterly Cashflow Report in the form of Appendix 5B for the period ended 31 December 2010, released to ASX Limited ("ASX") on 2 February 2010 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0
2. Net negative operating cash flows for the quarter of \$1,231,000.
3. Cash at end of quarter of \$809,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. Is it possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00pm WST on Thursday 11 February 2010**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on 9224 0023.

Yours sincerely,



Wade Baggott
Adviser, Issuers (Perth)