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# VICTORY WEST MOLY LIMITED

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Company Announcements Office  
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## SIGNIFICANT PLATINUM ACQUISITION FOR VICTORY WEST MOLY

### Highlights

- **Victory West Moly Limited ("VWM") to acquire 100% of XS Platinum Ltd ("XSP")**
- **XSP owns the Platinum Creek Mine in south-western Alaska**
- **XSP bulk-sampling/test production planned for August–October 2009**
- **XSP full-scale production planned for 2010**
- **XSP low start-up capital expenditure and operating costs expected for platinum production**

### VWM to Acquire XSP

Victory West Moly Limited (ASX: VWM) is pleased to announce that on 24 July 2009 it executed Heads of Agreement with XS Platinum Ltd ("XSP") to acquire all of XSP's shares. XSP has near-term platinum and gold production in Alaska, and plans to be producing and selling platinum and gold by calendar year end. VWM has an exciting, highly prospective molybdenum project in Indonesia.

This acquisition by VWM will better position it to become a multi-resource company with assets of strategic significance and economic importance.

### XSP's Platinum Creek Mine, Alaska

XSP is an unlisted public company that owns 100% of the historically significant Platinum Creek Mine located near the township of Platinum, south-western Alaska (Figure 1). The Platinum Creek Mine consists of 195 placer and hard rock mining claims that cover more than 3,000 acres running essentially in a north-south

direction down the Salmon River valley. The property has an alluvial mining history dating back to the 1920s, with well over 500,000 ounces of platinum being produced.<sup>1</sup>

XSP acquired the Platinum Creek Mine from Hanson Industries Inc (“Hanson”) on 30 November 2007 pursuant to a Purchase and Sale Agreement (“PSA”) that provides for the acquisition price of US\$50,000,000 to be payable in ten instalments, with the first of those paid on 30 November 2007 and the last to be paid in December 2015.

The PSA also provides that simple interest is to be paid to Hanson annually at the rate of 7.5% per annum on the balance then owing under it. The PSA provides flexibility to XSP, however, insofar as repayments are concerned in that XSP can at its election pay out the remaining balance together with interest to that point at any time without penalty.

The balance of the acquisition price that is payable from time-to-time, is secured by a registered charge in favour of Hanson over the assets of XSP.

The historical mining of platinum and gold at the Platinum Creek Mine was mainly carried out by dredging between 1937 and 1976. In the result, large stockpiles of tailings have been deposited on the property that run for many miles down the valley. These tailings are believed by XSP to contain significant amounts of fine-grained platinum and gold that should be capable of being recovered using modern earthmoving equipment and standard gravity separation techniques. There is also the potential to extract platinum and gold from the virgin gravels that have not been the subject of historic mining activities. In addition, there are a number of the mining claims that cover hard rock prospects that are thought to be the source of the platinum group elements in the overall alluvial deposits.

It is considered by XSP that only a fraction of the platinum group metals and gold available within the Platinum Creek Mine were actually recovered by previous mining methods, so XSP intends to optimise recoveries by using alternate, but conventional, modern day mining and recovery methods.

### **XSP’s August-October 2009 Bulk-Sampling/Test Production Program**

XSP’s employees and equipment have been mobilised to the Platinum Creek Mine in readiness for a small-scale bulk-sampling/test production program that is planned to be underway during August 2009.

XSP’s day-to-day operations will be driven by Phil Cash who has more than 45 years hands-on experience as a metallurgist and mineral processor, and who has worked on a number of minerals projects over many years. Phil received his Bachelor of Science degree in Metallurgical Engineering from the Colorado School of Mines in 1965. He has extensive mineral exploration, mine development and operational experience in Alaska and North America, and is well-placed to drive XSP’s operations going forward.

XSP’s employees and contractors were at the Platinum Creek Mine throughout the 2008 mining season (April-October) to, inter alia, carry out preliminary bulk-sampling test-work, undertake a drilling program, upgrade the existing camp facilities in preparation for the 2009 season and the forthcoming bulk-sampling/test production program.

<sup>1</sup> Mertie, J.B. Jr. 1976. Platinum Deposits of the Goodnews Bay District, Alaska. United States Geological Survey Professional Paper 938.

This upcoming bulk-sampling/test production program should not only provide XSP with valuable production and geological data, but should achieve actual platinum and gold sales by year end. All necessary mining, processing, sales and environmental approvals are in place.

The production of platinum and gold during the balance of the 2009 season from a small area of the stockpile of tailings at the Platinum Creek Mine by means of a small-scale conventional gravity separation plant capable of processing tailings via a wet screen and jig concentration process, utilizing heavy earthmoving equipment already on site, is a key objective for XSP.

### **Heads of Agreement Executed on 24 July 2009**

The key terms of VWM's agreement with XSP are as follows:

- VWM to acquire 100% of the issued shares in XSP.
- VWM to issue 250,000,000 fully paid ordinary VWM shares and 100,000,000 VWM options (exercisable at A\$0.25 with a five year term) to XSP.
- VWM to advance up to A\$10m to XSP to enable XSP to continue its current trial mining operations and purchase plant and equipment.
- XSP representatives to join the Board on completion.

Both companies will continue with their ongoing due diligence upon the other and work towards merging the two companies by or about calendar year end. The agreement is subject to all usual regulatory and shareholder approvals being granted.

### **VWM's Malala Molybdenum Project, Indonesia**

VWM remains committed to ongoing exploration and development activities at its Malala Molybdenum Project located on the island of Sulawesi, Indonesia. VWM maintains a full-time workforce of around 70 employees based at the Nancy Camp who continue to implement the Company's strategy to move the Anomaly B molybdenum prospect through to production. Trenching is ongoing, with an additional five trenches to be excavated and sampled within the coming months. This aims to extend the bedrock geochemical anomaly from 800m in length to over 2,000m. The Company's geologists plan on undertaking geological mapping and sampling activities over two large target areas defined by molybdenum-in-soil geochemistry and recent stream sediment geochemical results.

VWM's Australian geologist, Brett McKay, has recently returned from a site visit to the Malala Molybdenum Project. He continues to be impressed by the results of the ongoing work at Anomaly B and was encouraged by the frequent occurrence of fresh molybdenite, chalcopyrite and pyrite in outcrop exposed by the trenching activity. These fresh sulphides, visible in fractures and veins, can be seen at numerous locations over the entire zone which has been subject to trenching to date. This likely indicates quite a shallow depth of oxidation over the Anomaly B prospect which is an important consideration in mine planning as the oxide zone has to be pre-stripped. Furthermore, regional prospecting activities continue to indicate significant potential for both expanding Anomaly B, as well as making new molybdenum discoveries within VWM's expansive tenements.

VWM continues to plan a significant resource drilling program to be implemented within months to come. This program will focus on delineating a JORC-compliant resource at Anomaly B, drill testing a number of other high-priority targets located adjacent to Anomaly B, and developing new targets within neighbouring tenements.

Yours faithfully

**LUKE MARTINO**  
Company Secretary

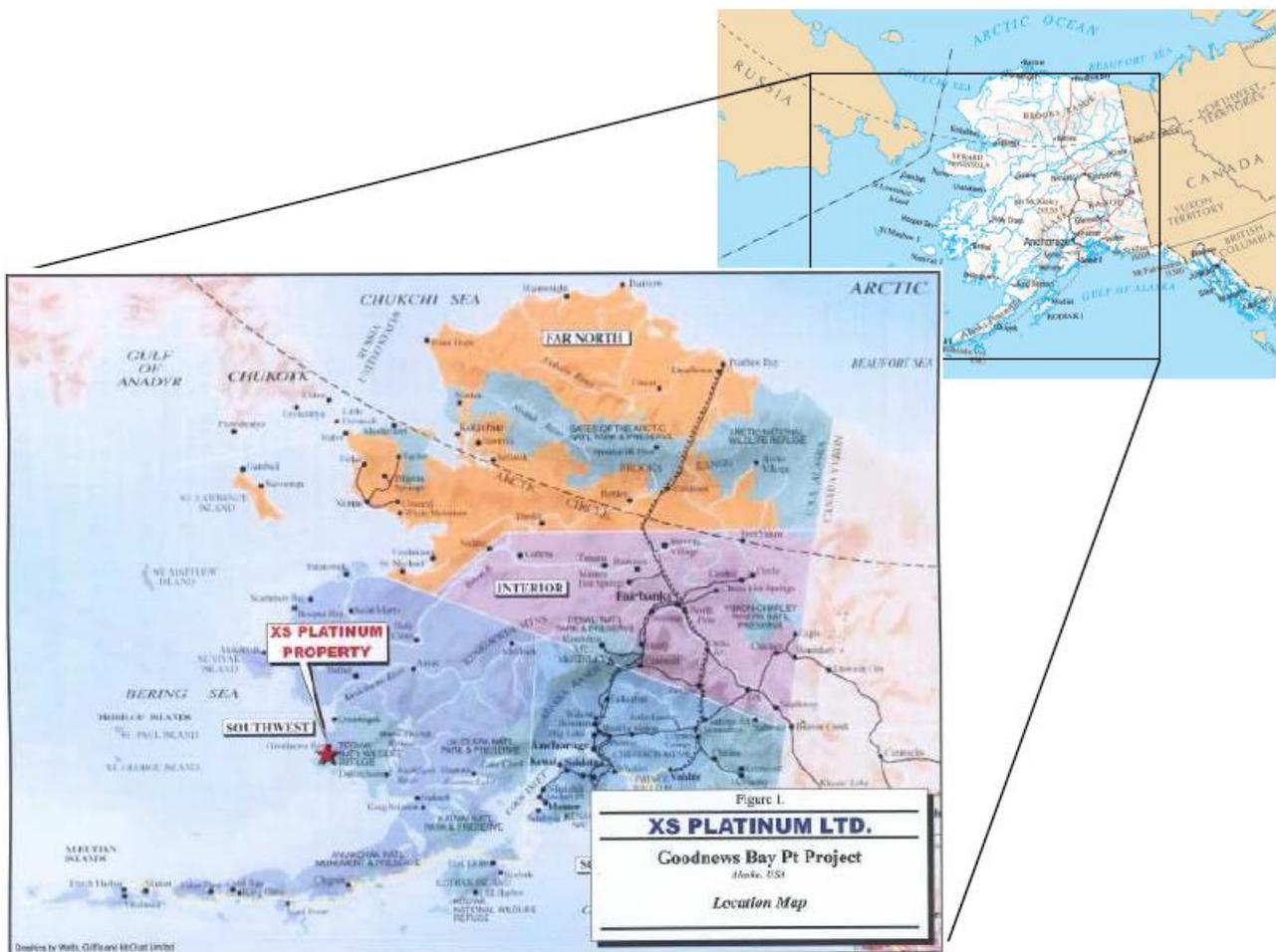


Figure 1 – Location of Platinum Creek Mine, south-western Alaska, USA.