

Quarterly Activity Report For the period ending 31 December 2009

Victory West Moly Limited (“VWM” or “the Company”) is pleased to provide shareholders with this Quarterly Activity Report for the three (3) months ending 31 December 2009. Activities continued to focus on the Anomaly B and Promistis prospect areas within the Malala Molybdenum Project located in northern Sulawesi, Indonesia (see Figure 1).

Highlights

- ✧ **Equipment and personnel for Induced Polarisation (IP) survey arrive onsite**
- ✧ **Trenching continues to define the surface exposure of the Anomaly B system, with a number of significant results reported during the quarter including:**
 - **540m @ 580ppm Mo, including 70m @ 1300ppm Mo in trench 800RL**
 - **660m @ 400ppm Mo in trench 750RL**
 - **130m @ 736ppm Mo including 35m @ 1194ppm Mo in trench 850RL**
- ✧ **New molybdenum system identified at Promistis, stream sediment results up to 97ppm Mo**
- ✧ **Regional reconnaissance mapping and sampling program continues**
- ✧ **Three additional Indonesian geologists added to the team**
- ✧ **Appointment of Mr Robert Hyndes as Chief Executive Officer**

Project Activity Update

Induced Polarisation (IP) Survey

The Company will be using the 3-dimensional double-offset dipole-dipole (DODD) IP surveying technique to delineate zones of disseminated and veinlet-style sulphide mineralisation at Anomaly B. The IP survey will be undertaken over an area of 3.2km x 2.6km and provide high resolution geophysical data down to approximately 400m vertical depth. The survey has been designed to cover the main zone of molybdenum mineralisation defined by soil and bedrock geochemistry. It is expected this survey will generate high-quality targets which will be tested by diamond drilling during 2010.

The survey is being planned in two stages, with the initial stage to cover the main Anomaly B prospect area and stage two to cover a much larger area including the significant molybdenum-in-soil anomalies immediately adjacent to Anomaly B. The Company has contracted Khumsup Limited, a specialised geophysical contractor to undertake the Stage one survey. Equipment and personnel involved in the survey arrived onsite at Nancy Camp toward the end of December, with data acquisition beginning in early January 2010.

A total of 68.9km of grid line was prepared during the quarter, covering a grid area of over 8km².

Anomaly B trenching

Trenching activities continued at a slower pace during the December quarter as focus turned to preparations for the IP survey. Trenching and channel sampling continued on lines L-750C, L850-C and L-950C with the aim of providing a continuous strike length of surface molybdenum mineralisation extending over 2km. A total of 710

samples from 3,550 metres of trench line were collected during the three months to end December 2009. Each sample is a 5m continuous rock chip sample.

A number of significant continuous zones of molybdenum mineralisation were reported in the quarter, including

- 540m @ 580ppm Mo, including 70m @ 1300ppm Mo in trench 800RL
- 660m @ 400ppm Mo in trench 750RL
- 130m @ 736ppm Mo including 35m @ 1194ppm Mo in trench 850RL

Results reported from trenching performed to date have defined the bedrock anomaly associated with the Anomaly B target area to now be in excess of 1.2km long and 350m wide. The Company is targeting the definition of greater than 2km of continuous strike length of bedrock mineralisation upon completion of the final two trench lines (850RL-C and 950RL-C) (Figure 2).

The Company continues to employ approximately 80 full-time personnel based out of Nancy Camp at Anomaly B.

Regional Reconnaissance Sampling Program

Regional reconnaissance sampling and mapping was boosted during the December quarter with the appointment of two additional full-time geologists and one contract geologist. The focus of much of the regional work remains on the Promistis concession where stream sediment and rock chip samples have defined a target area 3km x 3km in size. With the appointment of additional geological staff, a program of ridge-and-spur soil sampling is being planned at Promistis in an attempt to further define a new hardrock molybdenum discovery. Preliminary field activities have also been initiated on the Company's Era Moreco concession.

A number of significant assay results from Promistis were reported during the quarter, including several highly anomalous stream sediment samples returning molybdenum values up to 97ppm (Figure 3).

A total of 15 stream sediment samples and 66 rock chip samples were collected and submitted for assay during the three month period.


In addition to the IP surveying and trenching, the regional reconnaissance sampling and mapping programme within all of the Company's IUP's will continue through the January quarter.

Corporate Appointments

The Company announced the appointment of Mr Robert Hyndes as Chief Executive Officer on 21st January. Rob is based in the Perth Corporate offices and has recently undertaken travel to Jakarta to meet with the regional staff.

In accordance with ASX guidelines regarding the disclosure of the relevant terms and conditions of the CEO's remuneration, the Company wishes to advise shareholders that Mr Hyndes has been engaged on a fixed salary of \$120,000 per annum which is subject to periodical review. The parties are still negotiating an incentive package which, once finalised will be announced.

Yours faithfully



LUKE MARTINO
Company Secretary

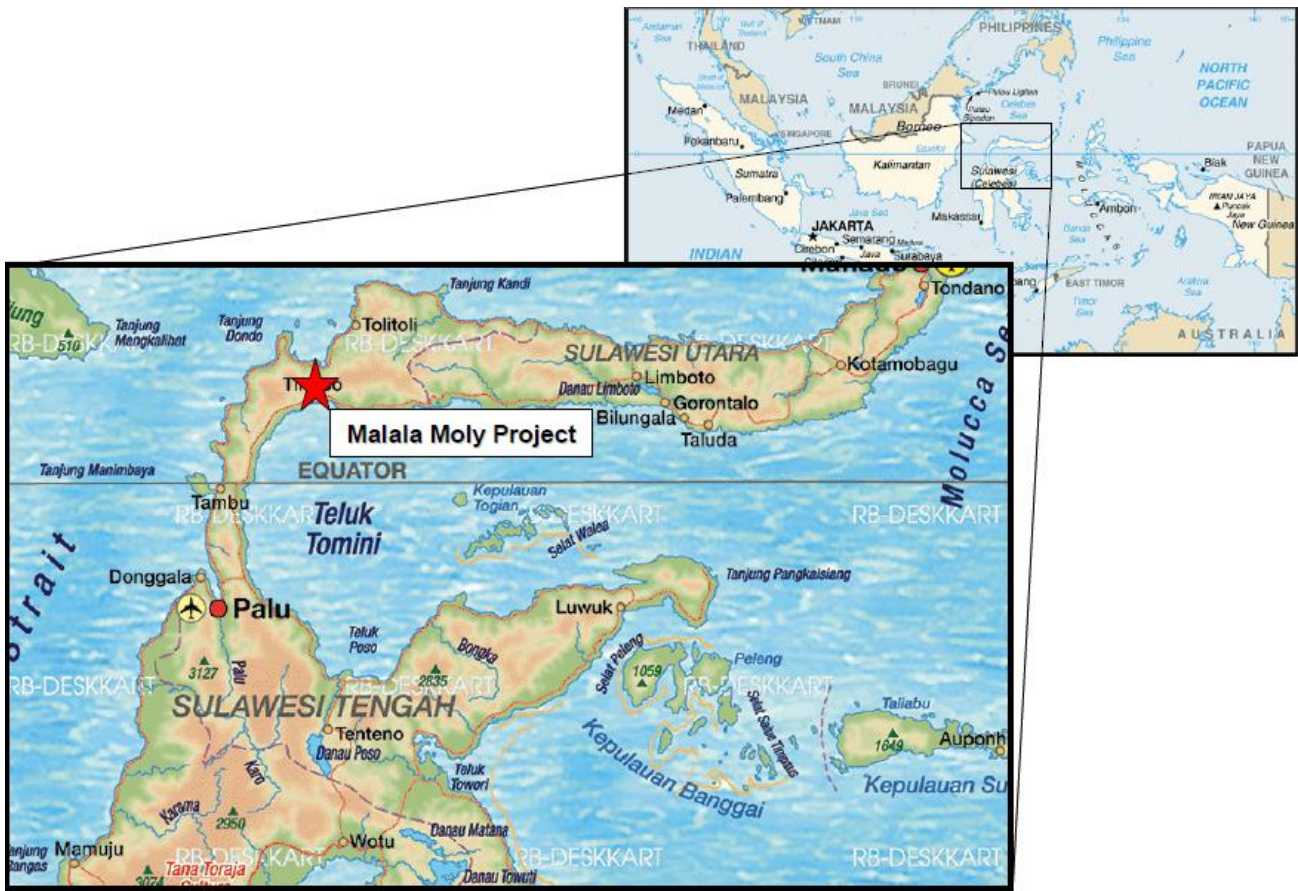


Figure 1 – Location of the Malala Molybdenum Project in northern Sulawesi, Indonesia.

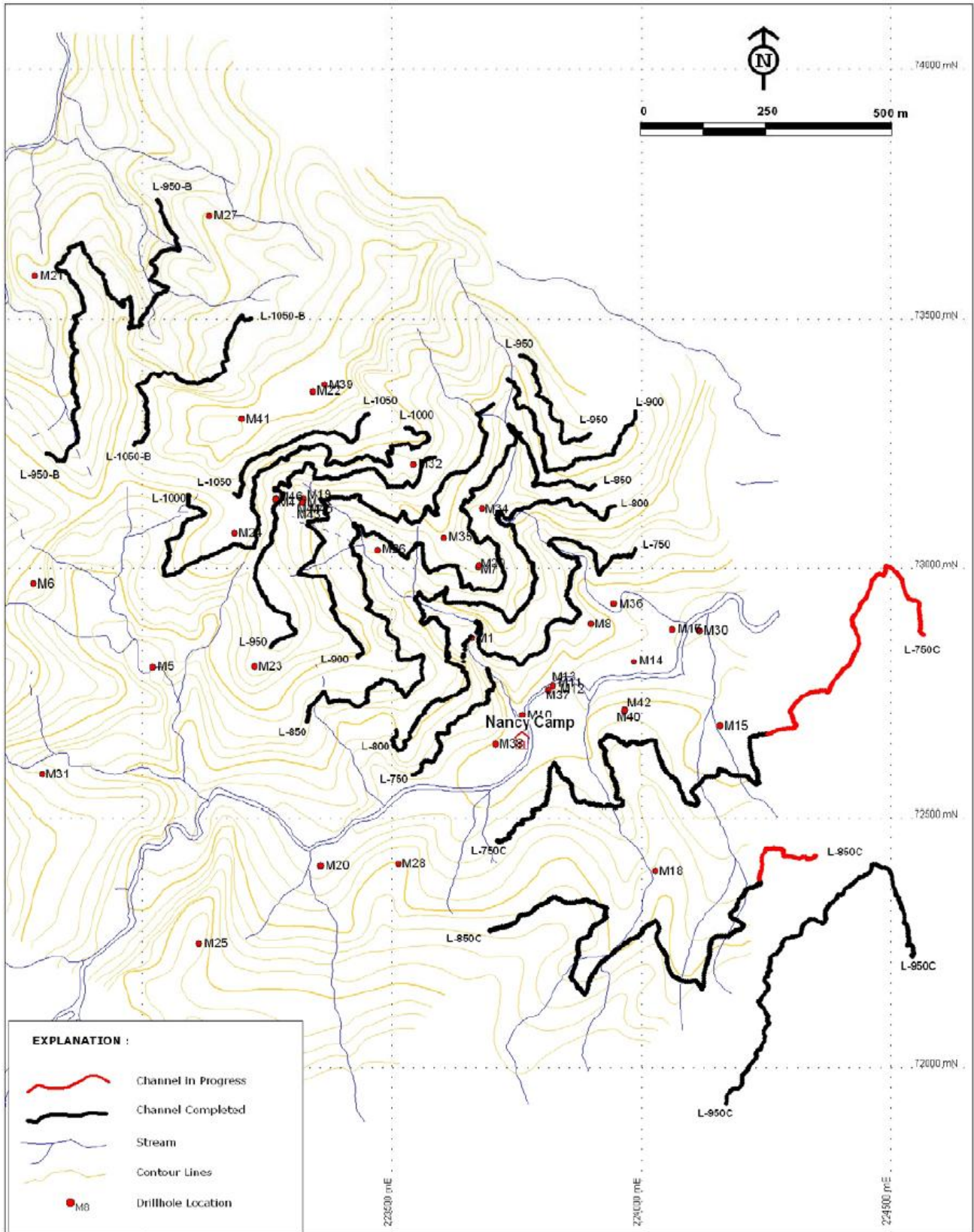


Figure 2 – Anomaly B trenching progress.

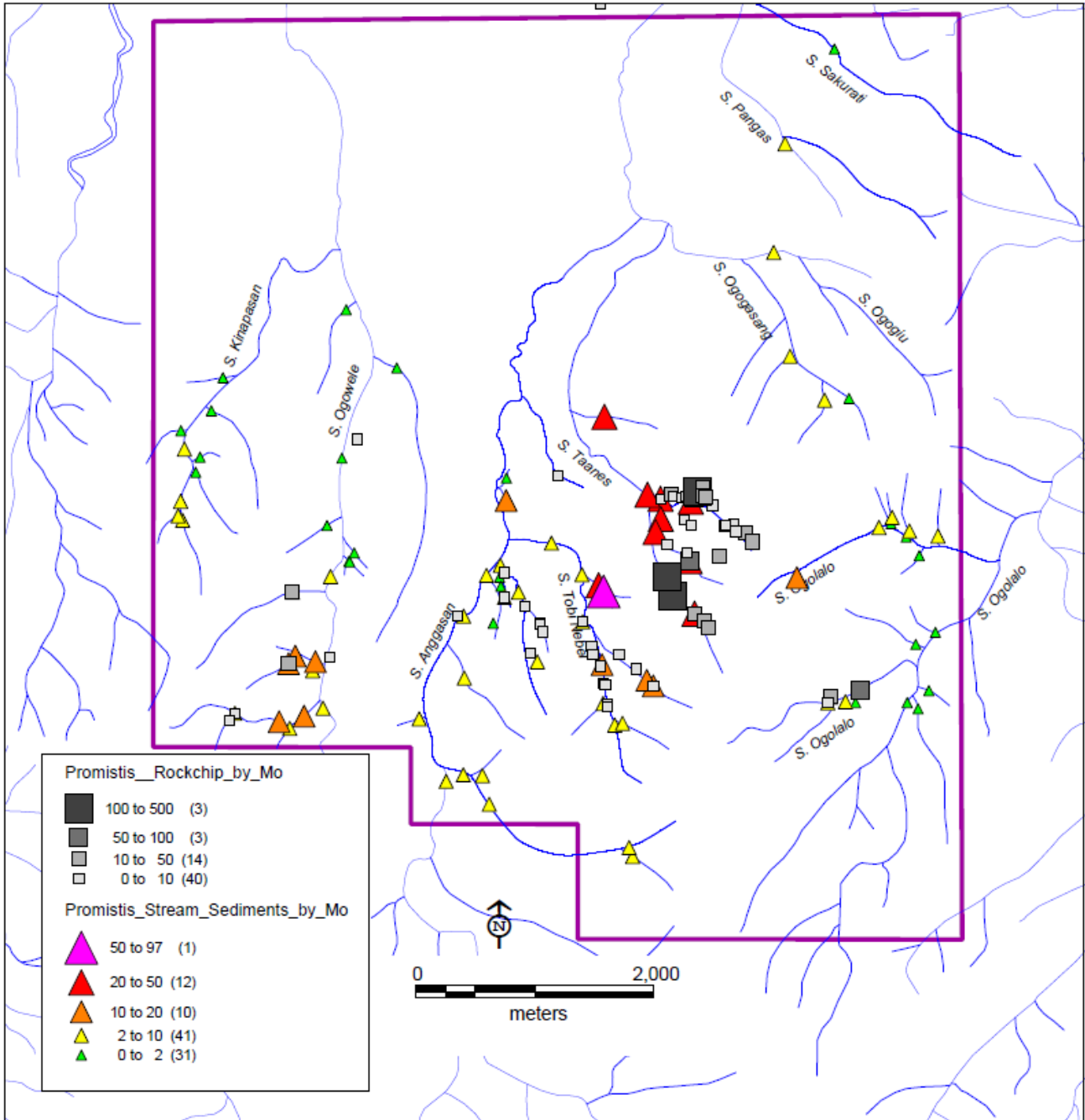


Figure 3 – Stream sediment and rock chip sample results from the PT Promistis concession.

Competent Persons Statement

The information in this report that relates to Exploration results is based on information compiled by Mr Brett McKay who is a Member of the Australasian Institute of Geoscientists and a fulltime employee of Victory West Moly Limited. Mr McKay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("The JORC Code"). Mr McKay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.