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MOLY LIMITED

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15 March 2010

The Manager
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INDUCED POLARISATION SURVEY COMPLETED
INITIAL RESULTS INDICATE SIGNIFICANT INCREASE IN PROSPECTIVE CONTACT ZONE

Highlights:

- **Induced Polarisation (IP) survey completed at Anomaly B**
- **More than 4kms of highly prospective contact zones identified representing significant increase over current targeted area (Anomaly B)**
- **Further interpretation likely to result in definition of a robust geological model**

Dear Shareholders

Victory West Moly Ltd (ASX: VWM) ("**Victory West**" or the "**Company**") is pleased to announce the completion of a detailed, three-dimensional, double-offset dipole-dipole Induced Polarisation (IP) geophysical survey (the "IP Survey") over the Anomaly B prospect area.

Anomaly B is located within the PT Inti Cemerlang concession, part of five concessions forming the Company's Malala Molybdenum Project, Sulawesi, Indonesia (Figure 1).

The IP survey was conducted by Khumsup Limited, an internationally recognised geophysical contracting company with specialised expertise in the acquisition of this style of IP data. Perth-based Southern Geoscience Consultants (SGC) has undertaken data processing, modelling and interpretation

The IP survey covered an area 3.2 km x 2.6 km centred on Anomaly B (see Figure 2) and was designed to identify the mineralised corridor believed to have the highest prospectivity for economic concentrations of molybdenum mineralisation.

Preliminary interpretation indicates the IP survey has defined the structurally-controlled contact zone between the Tinombo metasediments (highly chargeable, shown green on Figures 2 and 3) and the relatively less chargeable Malala Porphyry.

The total combined prospective length of these contact zones is now in excess of 4kms (the "Identified Contact Zone") representing a significant increase to the Company's existing target mineralisation area at Anomaly B.

Work to date at Anomaly B (exploration target of 105-115mt @ 660-900ppm over approximately 800m of the contact zone) is located within the north-eastern section of the Identified Contact Zone has demonstrated significant molybdenum mineralisation, which can be up to 250m true width (figure 2).

Several historical drill holes have been completed within a corridor approximately 1km long on this contact at Anomaly B, with a number returning very significant mineralised intersections including;

- 234m @ 1,680ppm Mo (M12),
- 363m @ 600ppm Mo (M30) and
- 245m @ 1,200ppm Mo (M37).

The remaining part of the Identified Contact Zone (more than 3km), to the south-east and south-west, appears extremely similar to the north-eastern zone and remains largely untested by drilling providing significant demonstratable upside for the Company to investigate.

The Company is highly encouraged by this initial data and is on track to complete a comprehensive and detailed geological interpretation within the coming weeks.

During 2010, it is proposed to undertake a detailed drilling program to prove up the Company's initial Exploration Target, followed by an aggressive campaign designed to evaluate the remainder of the highly prospective contact zones with the objective of significantly increasing the Company's exploration target.

Yours faithfully



ROBERT HYNDES
Chief Executive Officer

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.

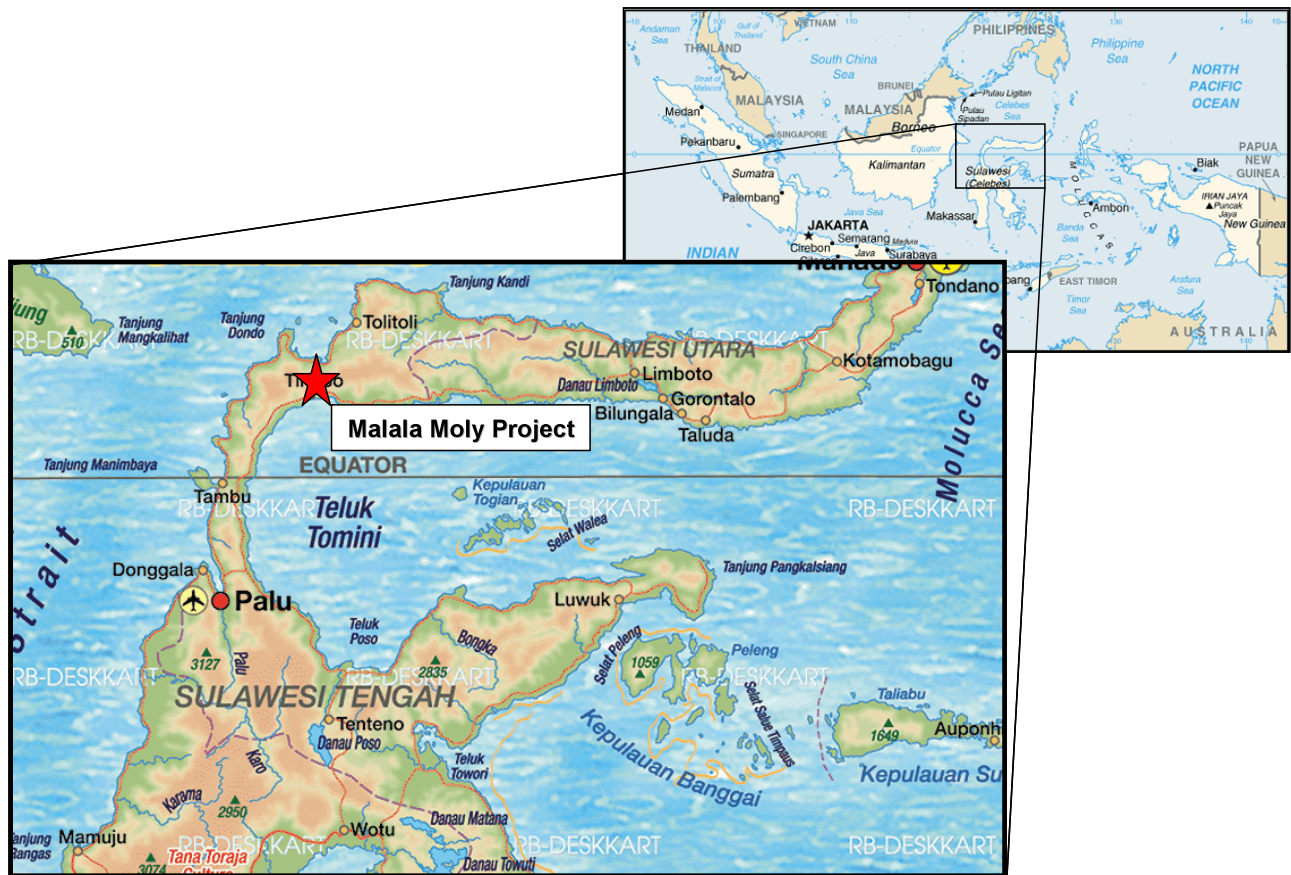


Figure 1 – Location of Malala Molybdenum Project, Sulawesi, Indonesia.

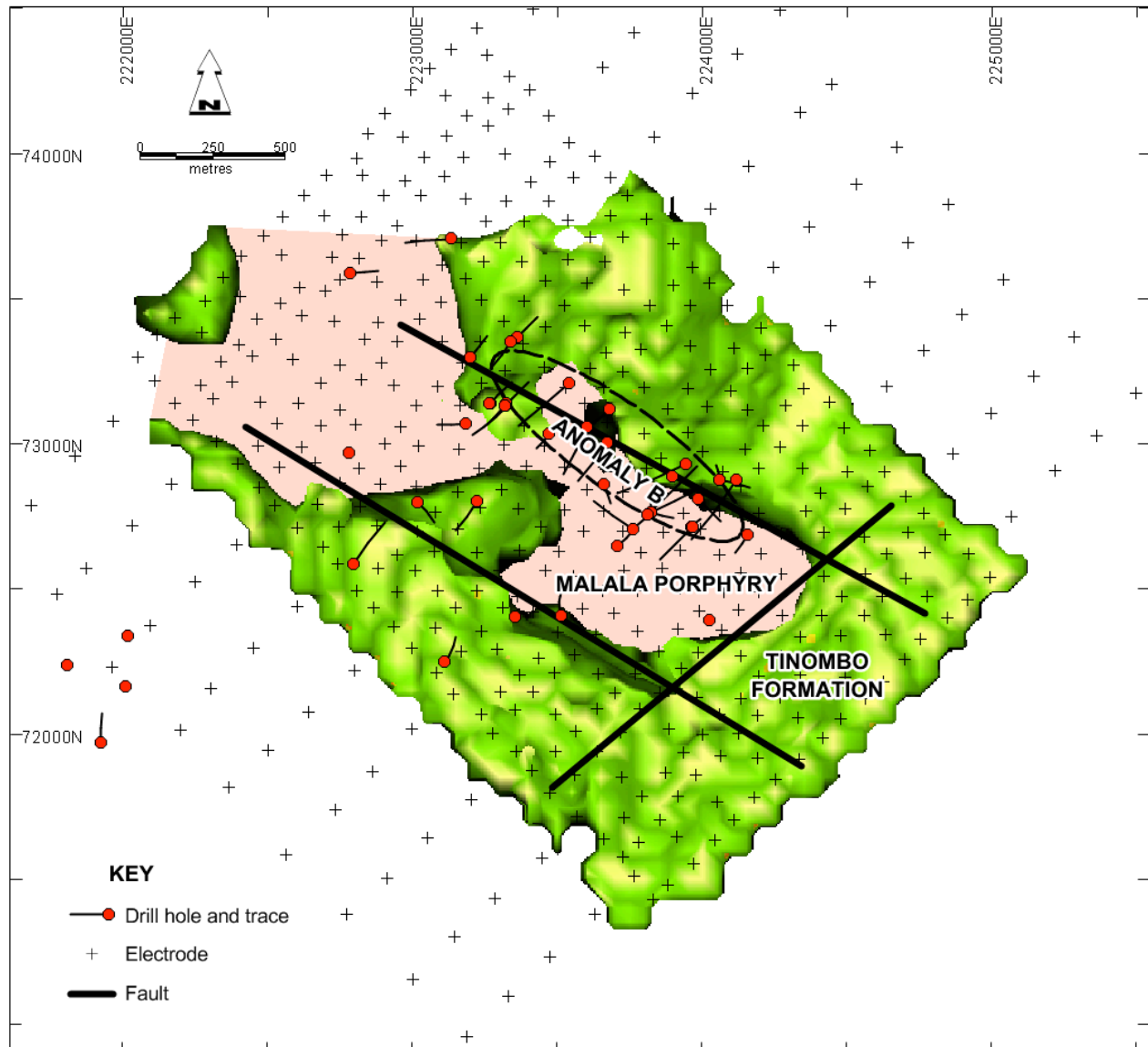


Figure 2 – Induced Polarisation (IP) image illustrating the Tinombo Formation metasediments (40mV/V shown green) in faulted contact with the Malala Porphyry. The area identified by exploration as “Anomaly B” is shown to occupy only a small part of the contact zone.

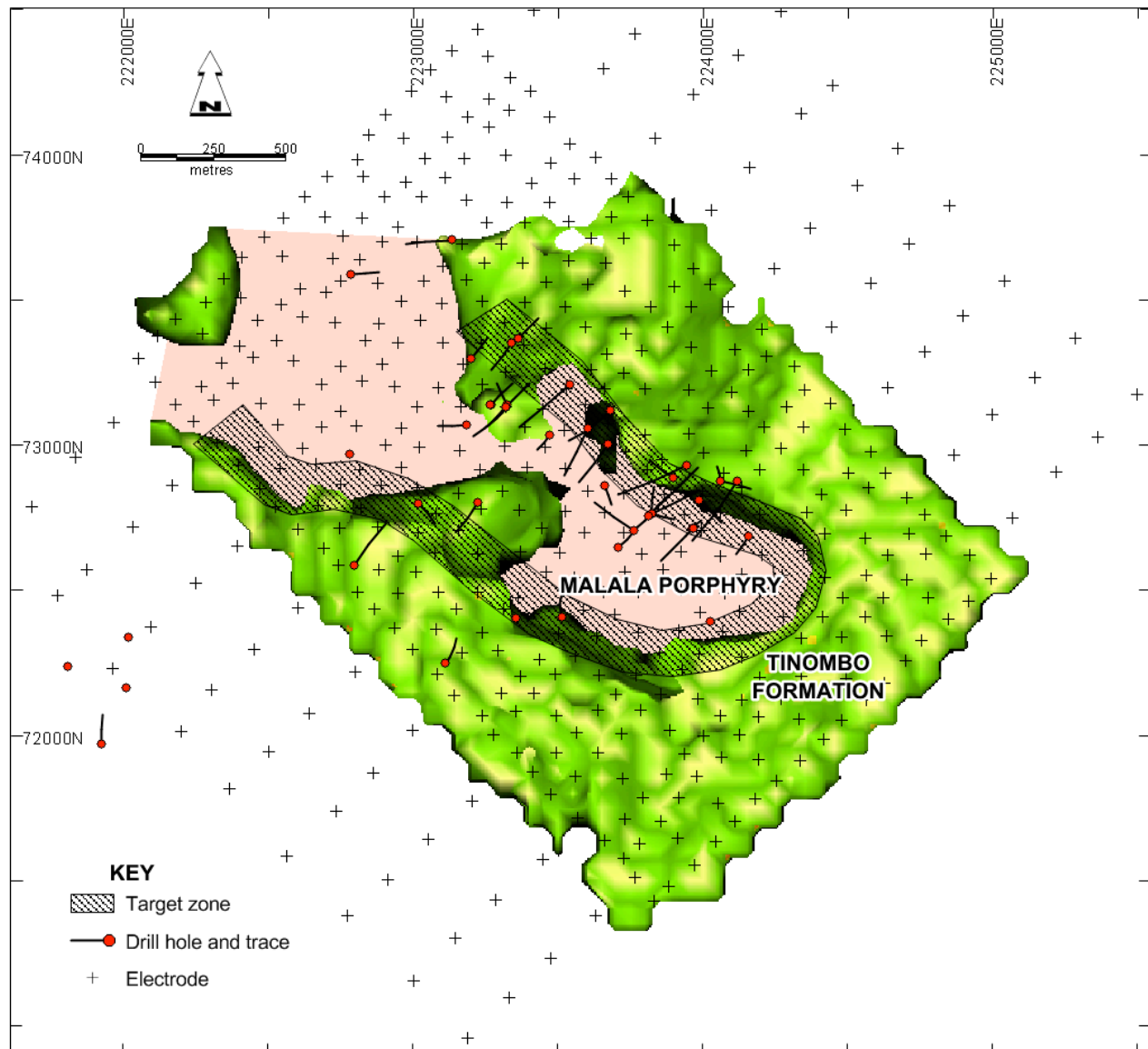


Figure 3 – The IP highlights the contact between the Tinombo Formation and the Malala Porphyry as forming an initial target area in excess of 4km long and possibly up to 250m wide. Drilling at Anomaly B, has shown this contact zone contains significant molybdenum, with very minimal exploration work conducted along the remainder of the Target Zone.