

Quarterly Activity Report For the period ending 30 June 2011

Victory West Metals Limited (“**Victory West**” or “**the Company**”) is pleased to provide shareholders with this Quarterly Activities Report for the three (3) months ending 30 June 2011.

Strategic Outlook:

In line with the Company’s vision of finding, proving and extracting value from world-class metals projects – the Company adopted Victory West Metals Limited as its new name as approved by shareholders on 14 April 2011.

During the quarter, Victory West continued to source and review projects in Indonesia with a predominant focus on South Sulawesi and further developed its relationships with local parties, seeking a strong listed partner, to access development capital and the International markets. This local network provides the Company with a pipeline of metals projects in various stages of development facilitating Victory West’s aim to secure strong international financial and expertise backing.

Operations Report:

Malala Molybdenum Project

The Malala Molybdenum Project located in the Toli-Toli Regency at the northern tip of the island of Sulawesi in Indonesia and covering a total area of 23,747Ha, comprises five exploration concessions that are highly prospective for Molybdenum (figure 1).

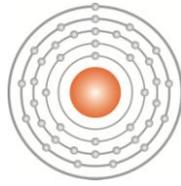
Substantial work over the past years has been undertaken with the focus on verifying and expanding on the initial exploration target at “Anomaly B” within the Inti Cemerlang concession of 105-115Mt @ 660-900ppm* Molybdenum based on previous work by Rio Tinto, Santos and the Company. Geological data sets and IP survey result received in March 2010 over Anomaly B resulted in the definition of a revised geological model which highlighted the potential for significant upside at Anomaly B with an increased target zone. This target could be just one of a series of molybdenum-bearing prospects within the district, with regional reconnaissance generating a number of high priority targets, including a large area within the PT Promistis concession (figure 2).

Victory West is actively working on the Malala Molybdenum Project in conjunction with its Joint Venture Partner China Guangshou Group Corp (CGGC).

Under the terms of the joint venture, CGGC will acquire a 65% interest in the Malala Molybdenum Project in return for sole funding 100 per cent of all expenditure up to when the project enters large-scale production

Victory West continues to work with key Indonesia Government groups to secure the required administration letters that are required to move the joint venture to the next stage.

The Company has recently received further endorsement from the provincial government and authorities confirming the validity and good standing of the Company’s concessions. In addition, the provincial government have reaffirmed their support for the Company and will defend any illegal and spurious claims over the Company’s concessions on its’ behalf.



Noviendino Copper/Gold Project

During the quarter the Company continued its due diligence on the Noviendino Copper Project located in South Sulawesi.

An intensive 40 day field work program commenced under the supervision of the Company's consulting Geologist Mr Brett Gunter B.App.Sc (Geol) MAusIMM (GMT Indonesia). In addition 6 senior geologists from the Malala project were also mobilised for the extensive field work program.

The team surveyed approximately 5,000 hectares of the Concession and collated data on in-situ rock outcrop formations, previous historical drilling and 12 Dutch Adits. Additionally, a number of samples were collected from prospective zones encountered during mapping that will allow for assessment of the potential and distribution of mineralisation within the mapped concession areas. The Company will be in a position to announce these results during the next quarter.

Nickel Projects

USSU

During the Quarter Victory West announced a reassessment of this project based on the technical review which defined a need to further expand on exploration activities to build a certified resource which would enable raising of significant equity funding.

To that end the Company adopted a prudent course of action in the best interests of all parties to renegotiate the terms of the agreement. Subsequently, it was announced that a settlement had been reached on 10 June 2011 with the Indonesian vendors of the USSU project and all loans advanced have now been repaid.

The Company remains focused on identifying and securing DSO nickel projects within the region and continued due diligence investigations on two additional nickel projects located within South Sulawesi showing early promise.

Corporate:

The Company announced management changes in June 2011, with Mr Robert Hyndes stepping down from the CEO role due to other executive commitments.

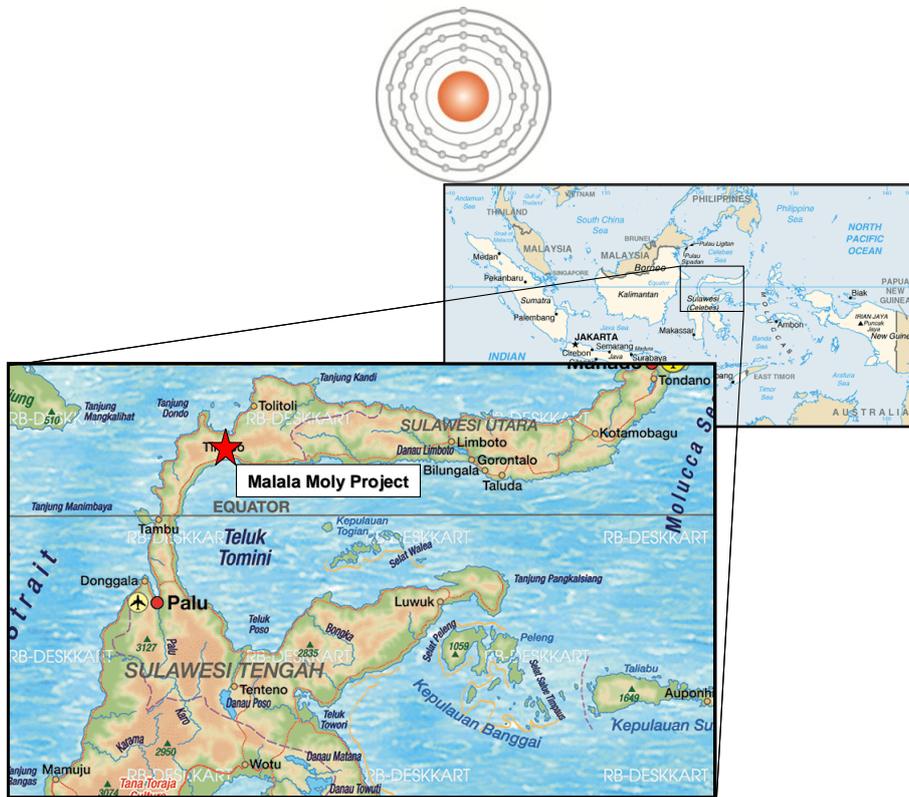


Figure 1 – Location of Malala Molybdenum Project in northern Sulawesi, Indonesia.

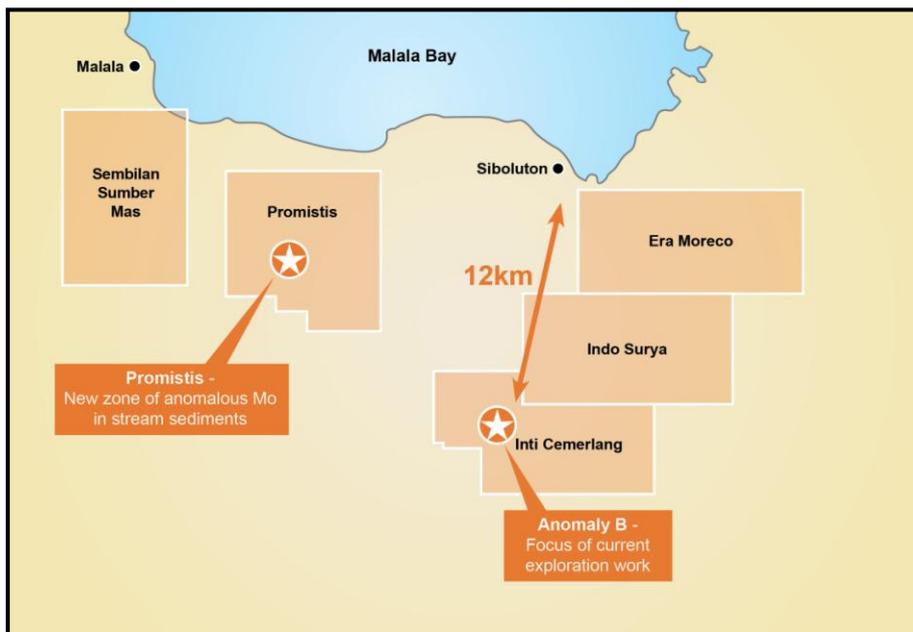
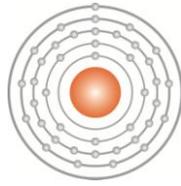


Figure 2 – Malala Molybdenum Project area

ENDS

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*** Notes on Exploration Targets**

In accordance with Clause 18 of the JORC Code, it is important to note that no JORC Mineral Resource or Ore Reserves have been established on these concessions and any current assessment remains subject to ongoing exploration work and drilling. The current interpretation remains preliminary and is currently based on historic work.

Competent Persons Statement

The data in this announcement that relates to Exploration Results, Resources and Reserves is based on information reviewed and evaluated by Mr. Brett Gunter who is a member of The Australian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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. Gunter is a fulltime employee of GMT Indonesia and he consents to the result as they appear.

About Victory West

Victory West Metals Ltd is a metals focused resource exploration company listed on the Australian Securities Exchange and Frankfurt Stock Exchange (FSE code: R1E), with a vision to find, prove and extract value from world class metals projects in South East Asia.

The Company has, or is in the process of acquiring, majority interests in world class metals deposits, including a 95% interest in the Malala Molybdenum Project and is currently finalising a 27.5% 'free carried' interest to production with experienced Molybdenum mining group China Guangshou Group Co. Ltd.

For further information on Victory West, please visit www.victorywest.com.au