



VICTORY WEST
MOLY LIMITED

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24 August 2009

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Shareholders

**VICTORY WEST MOLY LIMITED ACCEPTS \$2 MILLION CONVERTIBLE NOTE OFFER FROM
CAPE LAMBERT GROUP**

The Company is pleased to announce that it has accepted an offer for a \$2 million convertible note with Dempsey Resources Limited, a fully owned subsidiary of Cape Lambert Iron Ore Limited (ASX: CFE), subject to completion of formal legal agreements. Under the terms of the offer, the convertible note holders have the right before the repayment date of 2 years from the date formal agreement are executed, to convert the note into ordinary shares in VWM, subject to the receipt of all necessary approvals, if required. Upon receipt of any conversion notice, VWM will have 90 days to determine whether to consent to the conversion or to purchase that portion of the note requested to be converted. The conversion price will be the higher of \$0.30 per share or volume weighted average closing share price on ASX calculated using the five (5) trading days immediately prior to the issue of a conversion notice by the noteholder. The note carries a coupon rate of 12% interest per annum.

The Company is delighted to have the Tony Sage led Cape Lambert Group investing in the Company's Malala Molybdenum Project in Indonesia.

Our respective Solicitors are currently meeting to conclude and finalise the documents by the end of August 2009.

The Company continues to further develop the project and hold discussions with interested parties to ensure the potential outcomes of this exciting project are reached.

Yours faithfully

LUKE MARTINO
Company Secretary