



5th November 2010

## **\$3.35m Capital Injection to fast track Nickel Acquisition**

### **\$2.5 Million Placement made with Convergence Capital Corporation**

Victory West Moly Limited (ASX: VWM, FSE: R1E) (“**VWM**” or the “**Company**”) is pleased to announce the placement of 20,833,333 new fully paid ordinary shares at a price of \$0.12 per share to raise \$2.5 million. The shares are being placed with Convergence Capital Corporation and or its sophisticated and institutional investors. These additional funds will strengthen the company’s cash position as it finalises due diligence on the previously announced DSO Nickel acquisition.

### **Key Highlights of the USSU Nickel Project**

- The project is located in Malili East Luwu in South Sulawesi, Indonesia covering approximately 1,608 hectares.
- Prolific nickel laterite province with several existing major operations nearby including Rio Tinto’s 162Mt project and PT Inco’s Sorowako 161Mt project.
- Initial exploration target of 35-45Mt at 1.2% to 1.6% Ni\*.
- Historical exploration work indicates potential low stripping ratio with well developed mineralisation at surface. Significant upside through additional exploration.
- Close to port site (~3km’s).
- Potentially low cost and rapid ramp-up to commercial production and cash flow.
- Feasibility and Environmental Studies in progress for Production and Operational IUP (Exploitation) concession application.
- Robust market for Direct Shipping Ore (DSO) nickel ore and continued strong nickel demand from key Asian markets.

## **\$850,000 Convertible Loan**

The company is also pleased to announce it has completed arrangements for the fundraising of \$850,000 via a convertible loan. Under the terms of the offer, the convertible loan holders have the right to convert the loan into ordinary shares in VWM before 31 December 2010. The conversion price is \$0.12 per share. The lenders will receive one free option for every one share converted. Each option has an exercise price of \$0.20 cents and an expiry date of 24 February 2012. The loan carries a Coupon rate of 10% interest per annum. The additional funds will go towards the working capital of the Company.

## **About Convergence Capital Corporation**

Convergence Capital Corp. specialises in providing a multi-faceted suite of services designed to each of its client's needs in order to increase market awareness and facilitate corporate growth.

Specialising in corporate communications Convergence Capital Corp, is a boutique firm which works in close partnership with clients to achieve maximum presence in the international investment community; leveraging existing relationships with its broad based network of broker-dealers, sophisticated and professional investors, fund managers, and major investment funds.

Convergence Capital and its principals also engage in private and public equity investing with investment partners where the combination of its capital, experience and hands-on involvement can assist portfolio companies with their growth objectives and value creation.

Yours sincerely

**LUKE MARTINO**  
Company Secretary

### **\* Notes on Exploration Targets**

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

### **Competent Persons Statement**

*The data in this report 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 inclusion in the report of the Exploration Results and/or Mineral Resource and/or Reserve in the form and context in which they appear.*

## **About VWM**

Victory West Moly Ltd is a metals focused resource exploration company listed on the Australian Securities Exchange (ASX code: VWM) 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 currently has two key assets: a 27.5% free carried interest (to production) in the Malala Molybdenum Project and is in the process of acquiring a 70% interest in the USSU Nickel Project in South Sulawesi.

**For further information on VWM, please visit [www.victorywestmoly.com.au](http://www.victorywestmoly.com.au)**