



MOLY KING PROJECT

Final Report for

EPM 16500

For the period 19th February 2010 to 19th February 2013

Prepared for the Department of Mines and Energy.

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CONTENTS

	Page
SUMMARY	iii
1. Introduction	1
2. Location and Access	1
3. Tenure	1
4. Regional Geology	3
5. Exploration Work and Results	6
5.1 Literature Review	6
5.1.1 Lucky Valley Au	6
5.1.2 Tamaroo Mine Au	7
5.1.3 Aspinalls Au	7
5.1.4 Baguette Mine Au	8
5.1.5 Tiger Snake Au	8
5.1.6 Tatong Magnetite Au	8
5.2 Landsat Alteration Mapping	9
6. References	12

LIST OF FIGURES

Figure 1:	Location of Moly King tenement EPM16500	2
Figure 2:	Regional Geology and Prospect Locations	5
Figure 3:	Bedrock geology of EPM 16500	10
Figure 4:	TMI magnetics of EPM 16500	11

LIST OF APPENDICES

Appendix 1:	Landsat alteration report
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Report Number: EPM 16500
Title: Moly King EPM 16500
Final Report
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1:250,000 MAP SHEET(S): Warwick SH56-02

SUMMARY

This report summarizes all exploration work completed on Moly King EPM 16500 by InVictus Gold Ltd during the three years of tenure from the 19 February 2010 to 18 February 2013.

Work completed consisted of;

- A review of past exploration work including the extraction, processing and interpretation of the relevant Moly King Project data from the Geological Survey of Queensland's historical geochemistry database,
- Purchase of Landsat imagery, and;
- Mineral alteration mapping and interpretation over the Landsat imagery.

Gold mineralization associated with dioritic intrusions, brecciation, and magnetite alteration over an 11 km strike indicates potential for bulk tonnage intrusion-related-gold-copper deposits north of the contact with the Stanthorpe Granite within the Lucky Valley Mineral Field. Although further work is warranted within the Lucky Valley Field higher priority projects have taken precedence within Invictus Gold's tenement portfolio.

1 INTRODUCTION

This report summarises exploration activities conducted by InVictus Gold LTD on EPM 16500 Glen Eden during the three years of tenure from 19th February 2010 to 18 February 2013.

The tenement was acquired to explore for gold mineralisation associated with porphyry intrusive centers related to the New England Batholith. The tenement has now been relinquished in full.

2 LOCATION AND ACCESS

Moly King EPM 16500 is located 150 km southwest of Brisbane near the township of Warwick and 14 km south of Stanthorpe, close to the southern Queensland border (Figure 1). The region is accessible by the Cunningham Highway and the New England Highway. From these major roads EPM 16500 is accessed by gazetted and well-maintained sealed and unsealed tracks through pastoral properties. The tenements can also be accessed by rail via the Brisbane/Toowoomba line, located 70 km north of the project. Numerous power lines traverse the area.

3 TENURE

The tenure is located in the Warwick 1:250,000 map sheet (SH56-02) and at the time of relinquishment consisted of 84 sub-blocks, no relinquishments were made during the tenure period.

The EPM was originally granted to Impact Minerals Ltd on 19 February 2010. To allow focused exploration of Impact's extensive tenement portfolio within Queensland Invictus Gold Ltd was floated on the ASX in January 2011. Invictus Gold which is majority owned by Impact Minerals managed the exploration activities on the tenement.

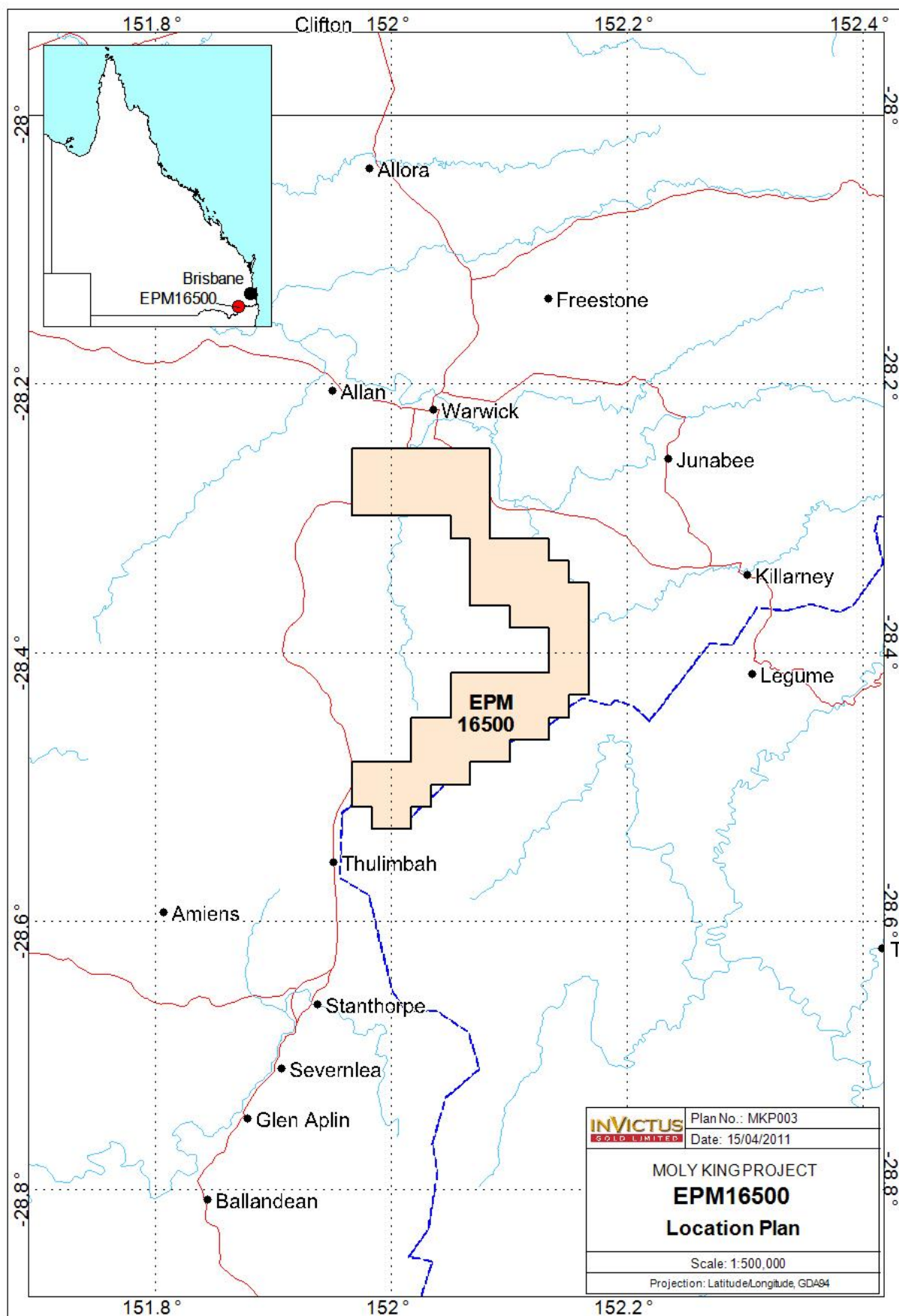


Figure 1: Location of Moly King tenement EPM16500.

The Moly King project is underlain by the Palaeozoic accretionary prism complex of the northern New England Orogen (NEO) which is intruded by the post-orogenic, I-type Stanthorpe Batholith. The accretionary prism complex is represented by the Silverwood Group which consists of three units: the Rosenthal Creek Formation, the Connolly Volcanics and Risdon Formation. The Rosenthal Creek Formation consists of sandstone, conglomerate and limestone. The Connolly Volcanic unit is restricted to the northeastern part of the project area and comprises andesitic pyroclastics and flows with minor sandstone, limestone and volcanoclastic rocks. The Risdon Formation comprises silicified fine andesitic tuff, siltstone and mudstone. In the Lucky Valley area (Figure 2), the Connolly Volcanics and the Rosenthal Creek Formation are intruded by diorite, which is interpreted to be related to gold mineralisation. Highly deformed Texas Beds consisting of sandstone, mudstone, conglomerate, chert, andesite and limestone crops out in the north western part of the project area. These rocks are intruded by the New England Batholith which comprises several different types of granitoid intrusions that range in age from Late Carboniferous to Permian. One of these is the Stanthorpe Granite a coarse-grained porphyritic granitoid, which is intruded by the Ruby Creek Granite. The Ruby Creek Granite is a fine to medium-grained equigranular rock, which is considered to be the source rock of molybdenum and tin mineralisation (Blevin & Chappell 1996). Forty kilometres to the north of Stanthorpe the country rocks are partly covered by Jurassic sediments of the Clarence Moreton Basin (Bundamba Group). Major northeast and northwest trending structures dominate the area and primary base metal mineralisation has been identified at the contact between the Ruby Creek Granite and country rocks near Elbow Gulley.

The Moly King Project is situated within the southern New England Fold Belt (NEFB). There are more than 2,000 mineral occurrences of molybdenum, tin, copper, gold, bismuth, arsenic and antimony recorded in and around the margins of individual intrusions within the NEFB, especially around the historical tin mining center of Stanthorpe, which has produced 50,000 tonnes of tin (Figure 2). These include examples of intrusion related Au deposits (IRGD) such as at Timbarra in NSW, which lies 60 km to the southeast of Stanthorpe. This deposit, which was operated briefly by Ross Mining before being closed due to environmental issues, hosts 16.8 Mt at 0.73 g/t gold for a total of 396,000 contained ounces (Ross Mining NL 1998 Annual Report). The gold is hosted by the Stanthorpe Granite and the mineralisation is 'sulphide-poor, disseminated Au within the roof of structurally-controlled microgranitic carapaces localised and enhanced by faults and joints', (Mustard, 2001). Also, at Tooloom, located just 50km east of Stanthorpe, gold mineralization is hosted by sheeted veins and stockworks in four separate

prospects, and each is spatially associated with a separate intrusive phase of the Stanthorpe Suite - also highly suggestive of an IRGD affinity.

A few small gold and copper occurrences constitute the Lucky Valley goldfield within EPM16500 (Figure 2). Limestone is also quarried from this district, which raises the possibility of skarn-type mineralization. Several other goldfields (e.g. Pikedale, Talgal, Thanes Creek, Palgrave, Canal Creek) are located west and within 50 km of Lucky Valley, directly north of the Moly King tenements.

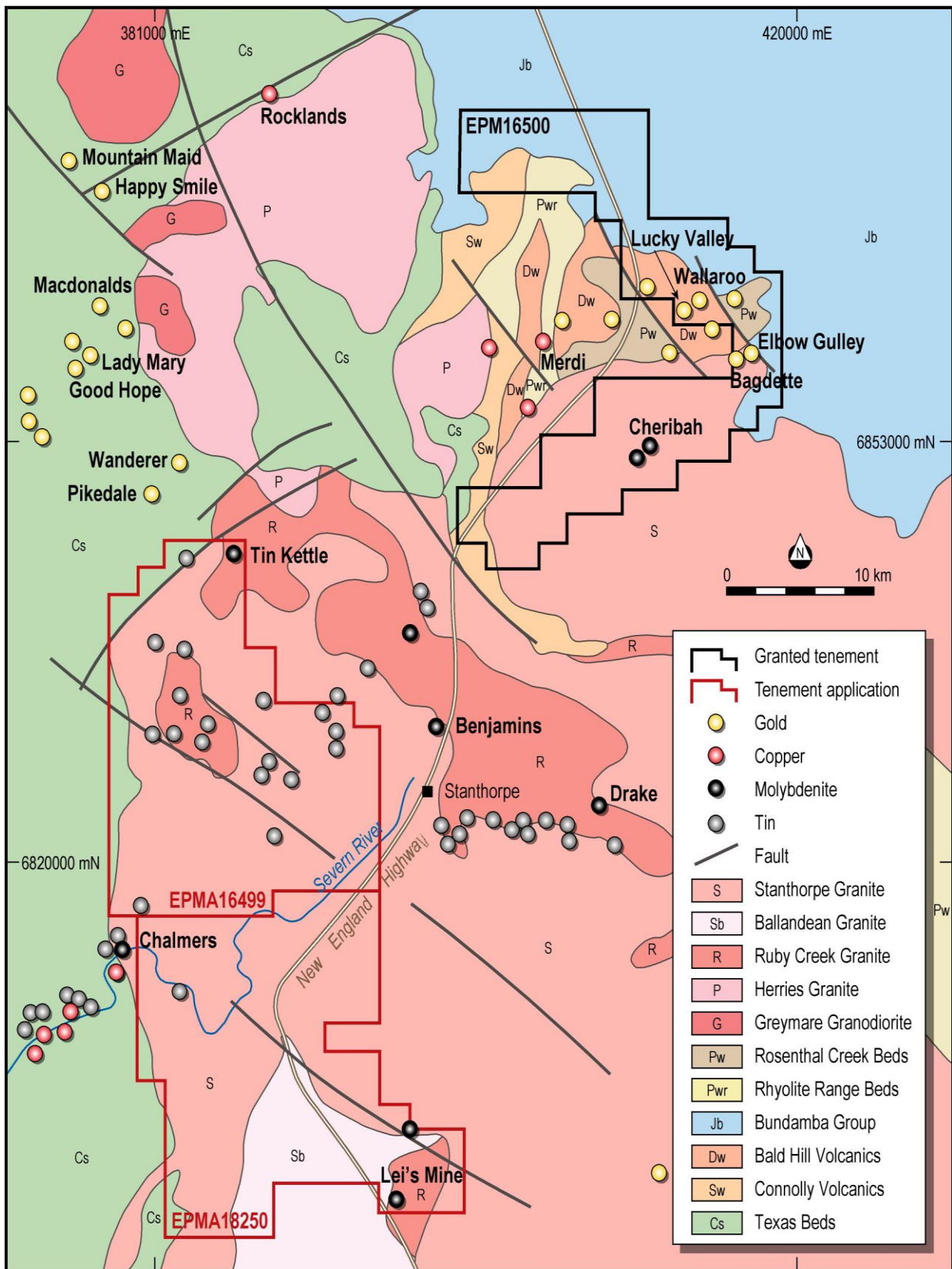


Figure 2. Regional Geology and location of prospects of the Moly King Project (derived From the Warwick 1:250K Geological Map Sheet).

5. EXPLORATION WORK AND RESULTS

The work completed during the reporting period consisted of:

- literature review of previous exploration work;
- processing and interpretation of the relevant Moly King Project data from the Geological Survey of Queensland's historical geochemistry database;
- purchase of Landsat imagery, and;
- mineral alteration mapping and interpretation over the Landsat imagery.

5.1 Literature Review

A compilation of work by prospects within EPM 16500 has been completed on prospects prospective for gold and other metals that occur in the Lucky Valley Mineral Field: *Lucky Valley (Au)*, *Baguette Mine (Au)*, *Tamaroo Mine (Au)*, *Aspinalls (Au)*, *Tiger Snake (Au)*, *Tatong Magnetite (Fe)*, *Rokeby Mine (Au)* and *Silverwood Mine (Cu, Ag, Zn)*

5.1.1 Lucky Valley (Au)

A 6 km long northwest striking diorite intrudes in to Lower Devonian sediments of the Silverwood Group, including sandstone, mudstone, and limestone, between two northwest striking structures (Figure 3).

The area has been mined since the 1850's and early mining reported 9 tonnes of ore yielding 340 grams of gold (average grade of 38 g/t Au). The shaft was sunk into a limestone breccia carrying quartz veins with visible gold.

Surface samples containing up to 1.3 g/t gold and 13 g/t silver were reported by Stevensen Enterprises (Macaulay, 1990).

Bulk testing of the soil and clay material across and above andesite and diorite indicates:

- an average of 3 m at 0.11 g/t to 0.3 g/t gold over a 1500 m strike;
- a best result of 0.4 m at 0.85 g/t to 2.5 g/t gold (Macaulay, 1990), and;
- up to 608 ppb gold reported from soil sampling traverses over the diorite intrusion.

The diorite intrusion occurs as a northwest-trending magnetic high feature over a 6 km strike which could indicate magnetite alteration (Figure 4). It has been interpreted that the dioritic

intrusions and associated gold-bearing fluids are related to the regional New England Batholith (Walker, 1988).

It is possible that the Lucky Valley Prospect area represents a series of replacement skarn deposits associated with diorite dykes and intrusions at surface above the main bulk tonnage gold-copper intrusive deposit at depth.

There has been no drilling at the Lucky Valley Prospect or throughout the Lucky Valley Mineral Field.

5.1.2 Tamaroo Mine (Au)

The Tamaroo Mine is located 4.5 km along strike to the northwest of the Lucky Valley Prospect (Figure 3).

Shallow dipping quartz reefs 0.5 to 6 m thick intrude limestone, andesite and diorite dykes. Significant east-west structures cross-cut gold-bearing veins.

Assays up to 1.5 g/t Au and 0.03 % Cu were reported by Stevensen Enterprises associated with pyritic limestone and andesite (Macaulay, 1990).

The northwest-trending magnetic high feature that occurs at the Lucky Valley Prospect extends 5.5 km along strike to the northwest and occurs to the east of the Tamaroo Mine Prospect (Figure 4). This feature may represent magnetite alteration associated with the same diorite intrusion at depth.

5.1.3 Aspinalls (Au)

Aspinalls is located 2.5 km along strike to the northwest of the Lucky Valley Prospect (Figure 3).

Assays up to 4.3 g/t gold were reported by Stevenson Enterprises within costeans containing quartz veins.

The northwest-trending magnetic high feature that occurs at the Lucky Valley Prospect extends 2.5 km along strike east of the Aspinalls Prospect (Figure 4). This feature may represent magnetite alteration associated with the same diorite intrusion at depth.

5.1.4 Baguette Mine (Au)

Baguette is located 2 km along strike to the southeast of the Lucky Valley Prospect (Figure 3).

The occurrence is described as gold-bearing quartz veins associated with east-west shear zones at the contact with the Stanthorpe Granite to the south (Walker, 1988).

Assays up to 14.3 g/t gold, 38 g/t silver, 0.1% copper and 0.62% lead were reported Stevenson Enterprises in shafts associated with granite and andesite breccias.

The northwest-trending magnetic high feature that occurs at the Lucky Valley Prospect extends 2 km along strike to the south-east and terminates just north of the Baguette Prospect (Figure 4).

5.1.5 Tiger Snake (Au)

Tiger Snake is located 1.4 km northeast of the Lucky Valley Prospect (Figure 3).

Assays up to 0.18 g/t gold were reported by Stevenson Enterprises associated with 0.2 to 0.3 m wide quartz veins related to a diorite intrusive.

5.1.6 Tatong Magnetite (Fe)

Tatong Magnetite is located 7.2 km along strike to the northwest of the Lucky Valley Prospect (Figure 3).

Australian Gold Resources describes this occurrence as a skarn-like mineralisation adjacent to a diorite intrusive (Walker, 1988).

Stevensen Enterprises describes a 40 m wide outcrop, containing a southwest dipping magnetite body that has potential to contain 4000-5000 tonnes per vertical metre of magnetite depending on the quality (Macaulay, 1990).

Assays up to 0.1 g/t gold and 2 g/t silver were reported by Stevenson Enterprises.

The northwest-trending magnetic high feature that occurs at the Lucky Valley Prospect extends 7.2 km along strike to the northwest and occurs adjacent to the east of the Tatong Magnetite Prospect (Figure 4).

The association of the Lucky Valley Diorite with magnetite alteration and the association of airborne magnetic high features, gold mineralisation (and other metals) and brecciation over

11 km of strike between Baguette and the Tatong Magnetite is a significant observation for exploration. It is possible that the NW-trending structural zone represents several small replacement skarn deposits at surface above a series of bulk tonnage intrusion-related gold-copper deposits at depth.

5.2 Landsat Image Mineral Alteration Mapping

Global Ore Discovery (Global Ore) completed a mineral alteration interpretation based on Landsat processing in January 2012. The study aimed to characterise the Landsat spectral response over known alteration and mineralisation systems, and to provide mineral maps to assist in discovering new targets.

Unfortunately the Moly King Landsat processing of alteration data could not be fully utilized. Global Ore advised InVictus Gold that the area of EPM 16500 is mainly used for agricultural purposes and it was returning false positive responses from the highly reflective clayey soils. In addition, areas that were not used for agricultural purposes were unfortunately densely vegetated and masked the spectral responses of the underlying soils. Several scattered outcrops were identified using Google Earth Imagery, however due to Landsat's coarser resolution they could not be resolved.

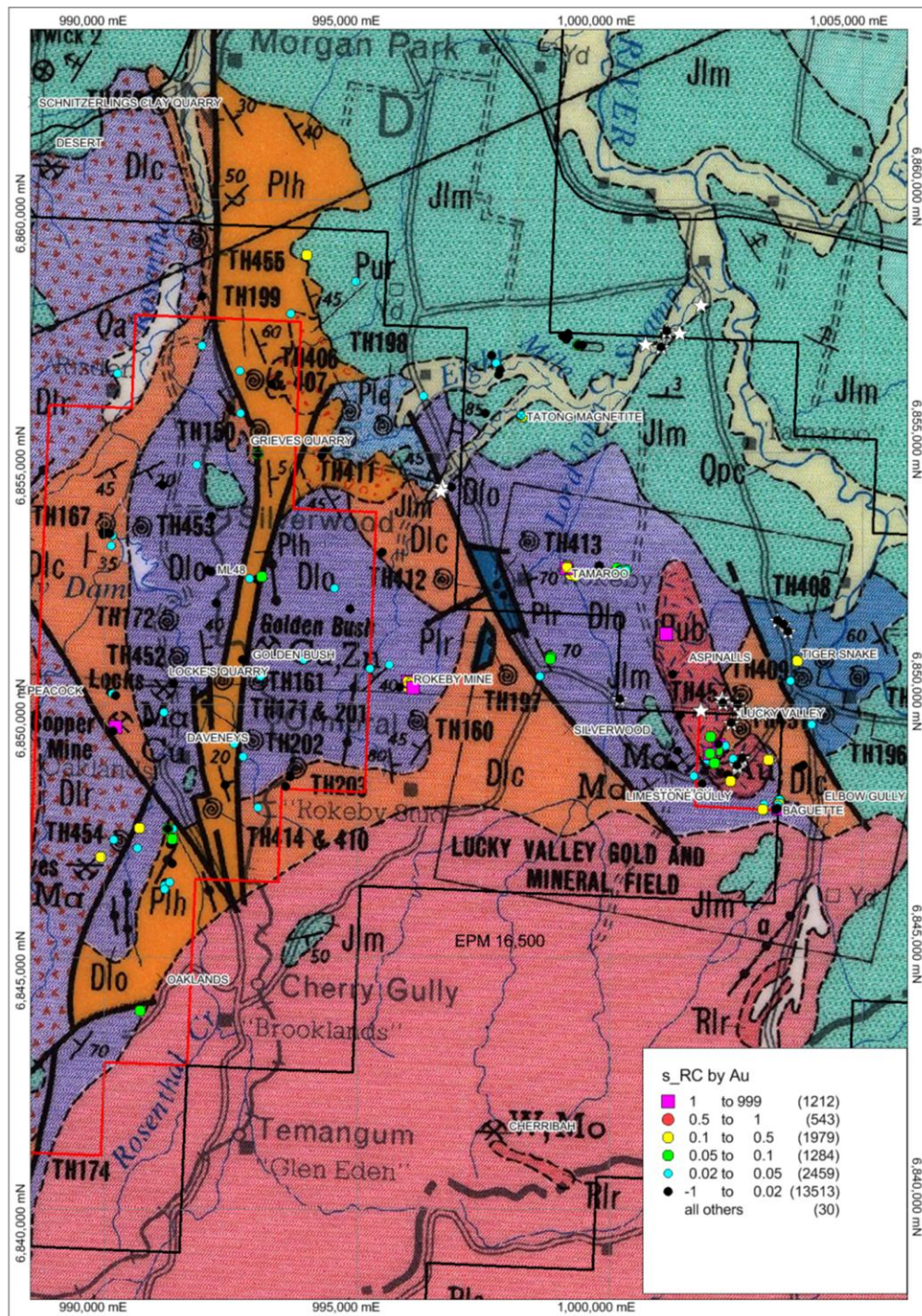


Figure 3: Bedrock geology (Dlo-Rosenthal Creek Sediments, Dlc-Connolly Volcanics, Rls-Stanthorpe Granite, Pub-diorite), gold (g/t) in grab samples, prospect locations & Invictus tenement outlines (black)

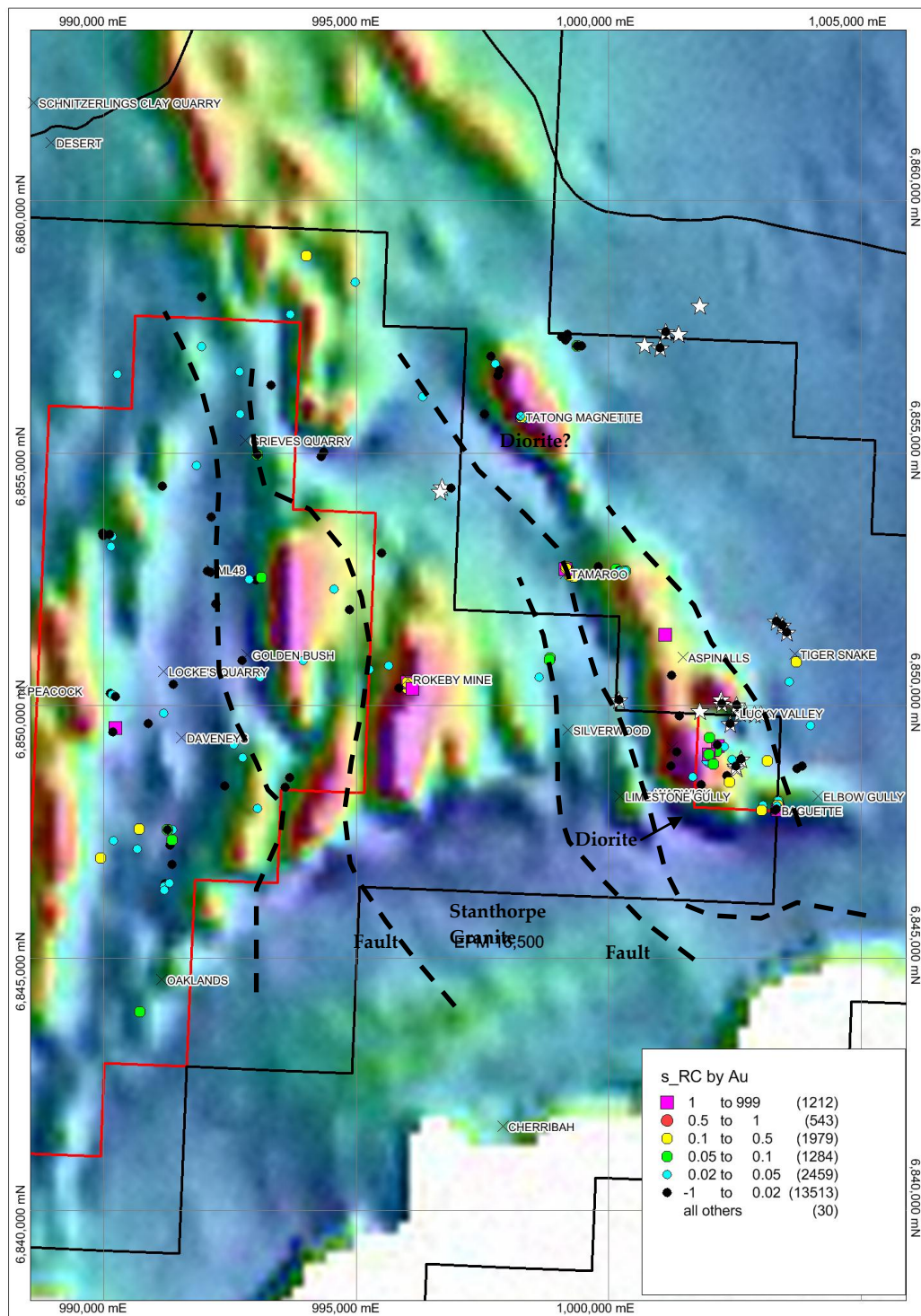


Figure 4: Regional airborne magnetic image (TMI), gold (g/t) in grab samples, prospect locations, Invictus tenement outlines (black), other company tenements (red) and annotated geology interpretation

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