PO Box 1095,
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Project Name:	Litchfield
Tenement Numbers:	EL23619
Tenement Operator	Pacific Ore Limited
Tenement Holder:	Discovery Metals Limited
Report Type:	Annual
Report Title:	Annual Report, Litchfield Project, EL23619 22 October 2006 to 21 October 2007
Report Period:	22 October 2006 to 21 October 2007
Author:	Lindsay Cahill (cahill@upnaway.com)
Date of report:	25 November 2008
1:250 000 map sheet:	SD 5208 Pine Creek
1:100 000 map sheet:	5071 Reynolds River
Target Commodity:	Gold and base metals
Keywords:	Wangi Basics, Litchfield Province, geophysics
Prospects drilled	
List of Assays	

ABSTRACT:

Location:	The tenement is located 90km southwest of Darwin
Geology:	Palaeoproterozoic Litchfield Province
Work done	Field reconnaissance

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Summary

Pacific Ore Limited ("POL") is exploring the Palaeoproterozoic rocks of the Litchfield Province for mafic hosted nickel-copper sulphide deposits. The area is interpreted to be an extension of the Western Australian, Halls Creek Mobile Belt, and host to the Sally Malay Ni deposit.

EL23619 forms part of the POL Litchfield Project along with EL22961, EL22959 and the applications EL23623 and EL22960.

During the reporting year two field visits were undertaken with the aim of identifying mineral occurrences and providing a focus for ongoing exploration.

1. LOCATION AND ACCESS

EL23619 is located 90km southwest of Darwin, Figure 1. The project area can be accessed via the all weather Stuart Highway that runs between Darwin and Alice Springs then via the main road leading to the Litchfield National Park via Batchelor. Batchelor is a township of 5 thousand people 40km west of EL23619.

The region is considered accessible however the area is subject to the summer monsoons and quite often during this period can be cut off due to flooding.

2. TENEMENT STATUS

EL23619 of 78 sub-blocks was granted to Falconbridge Australia Pty Ltd on 22 October 2003 for a period of six years. Falconbridge's interest in the tenement was transferred to Discovery Nickel Limited (precursor to Discovery Metals Limited) under an agreement dated 15 October 2003 that covered all of Falconbridge's tenements in the Litchfield Project. In 2007 Discovery entered into a joint venture agreement with Trajan Minerals Limited whereby Trajan had the right to earn a majority interest in the project by fulfilling nominated expenditure requirements. Later that year Trajan changed its name to Pacific Ore Limited.

3. GEOLOGICAL SETTING

The Litchfield Province is part of the western Pine Creek Inlier and southern extensions and is correlated with the Halls Creek Mobile Belt of the Kimberleys, Figure 2, which contains numerous significant magmatic nickel occurrences and deposits such as Sally Malay. The Province contains Proterozoic to Quaternary geological units, including Proterozoic meta-mafic and meta-ultramafic units referred to as the Wangi Basics. These mafic and ultramafic rocks are considered to be a likely host for Cu-Ni sulphide mineralization similar to that in the Halls Creek area.

In the tenement area, there is considerable cover of Cambro-Ordovician sediments over Palaeoproterozoic basement of Myra Falls Metamorphics and Nourlangie Schist, together with Palaeoproterozoic granite (Mount Litchfield Granite). One body of northwest trending mafic-ultramafic intrusive is mapped in the Wangi area. Aeromagnetic data suggest northwest, north northeast and north-south structural controls and the possibility of other similar mafic/ultramafic bodies.

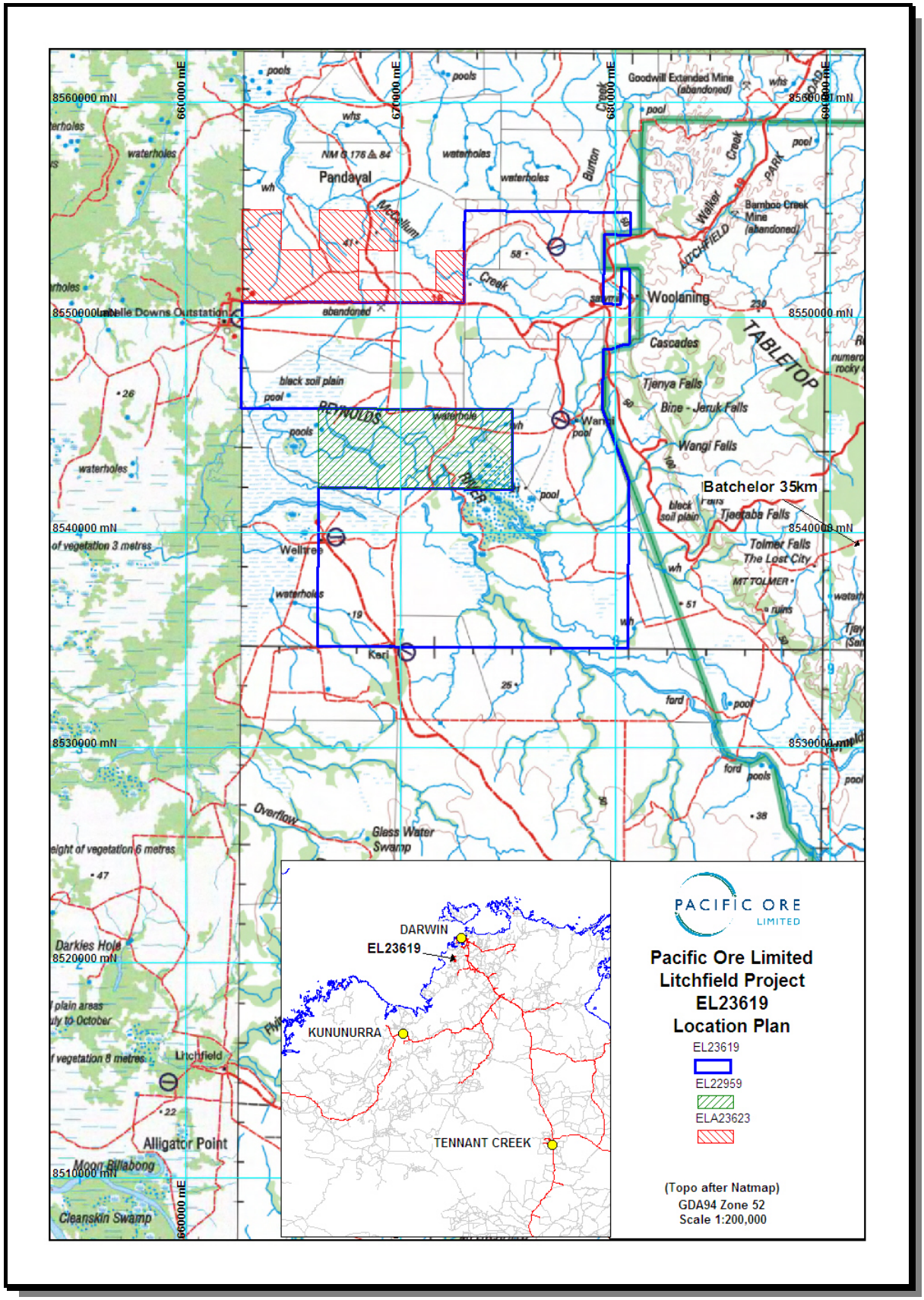


Figure 1: Tenement location plan

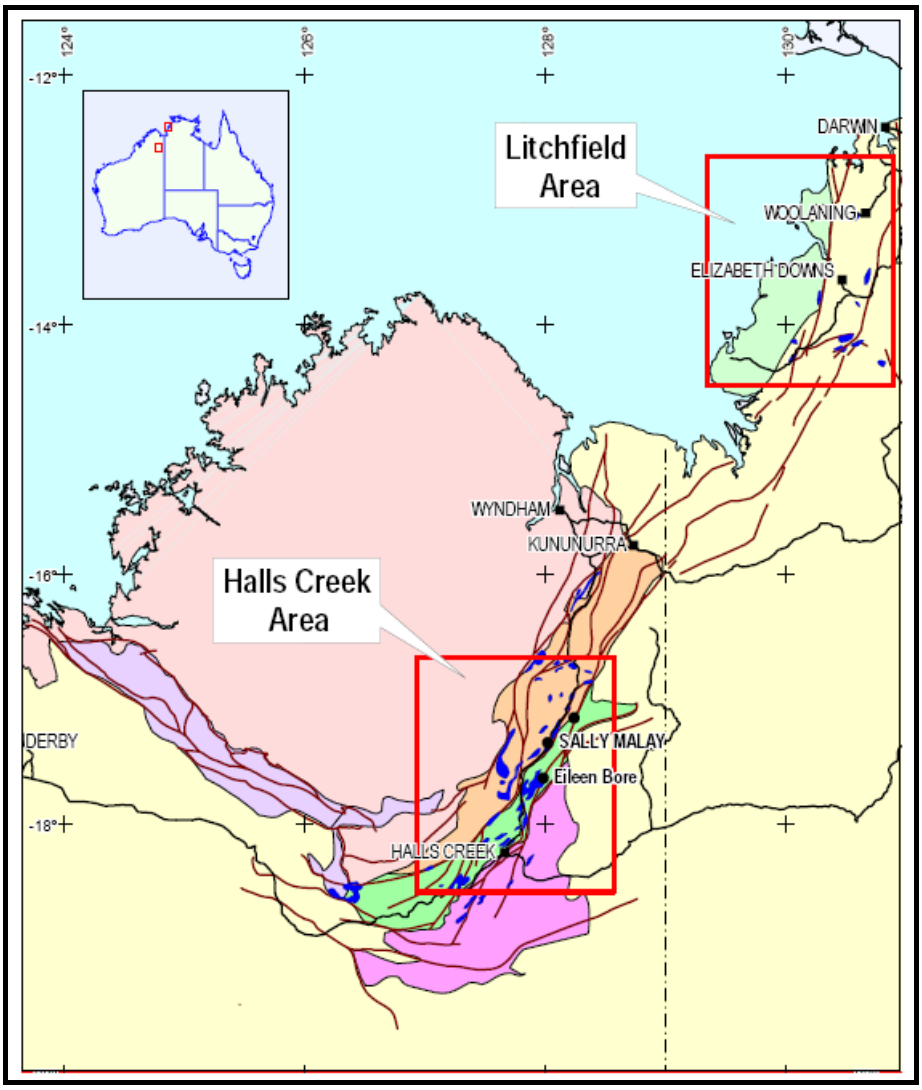


Figure 2: Regional geology of the Halls Creek Belt and Lichfield Province

The Proterozoic Wangi Basic rocks, Figure 3, contain a range of largely mafic to ultramafic rocks including gabbro, felsic gabbro, dolerite, basalt, anorthosite, diorite, periodotite, pyroxenite, hartzbergite and troctolite. These rocks have undergone a single episode of high greenschist to low-amphibolite facies metamorphism. They are considered to be mainly intrusive however minor extrusive varieties have been noted due to presence of interpreted pillow lava structures. In the general region, the Wangi Basics have been dated as ~1850-1840 Ma (Page et al. 1984) and have intruded the older rocks of the Hermit Creek Metamorphics (~2400 Ma) and also the Finnis River Group (~1880 Ma).The Wangi Basics are considered to be slightly older than the Mount Litchfield Granites (~1850-1840 Ma) that are widespread in the Litchfield area.

It has been suggested that the Daly River Metadolerites (Wangi Basics) are probably oceanic tholeiitic basalt and that these “Si-rich” mafic rocks (relative to the other basalts in the Pine Creek Geosyncline) are related to the Golden Dyke Metadolerites (exposed further to the northeast), and were derived from the progressive differentiation of a single basic magma.

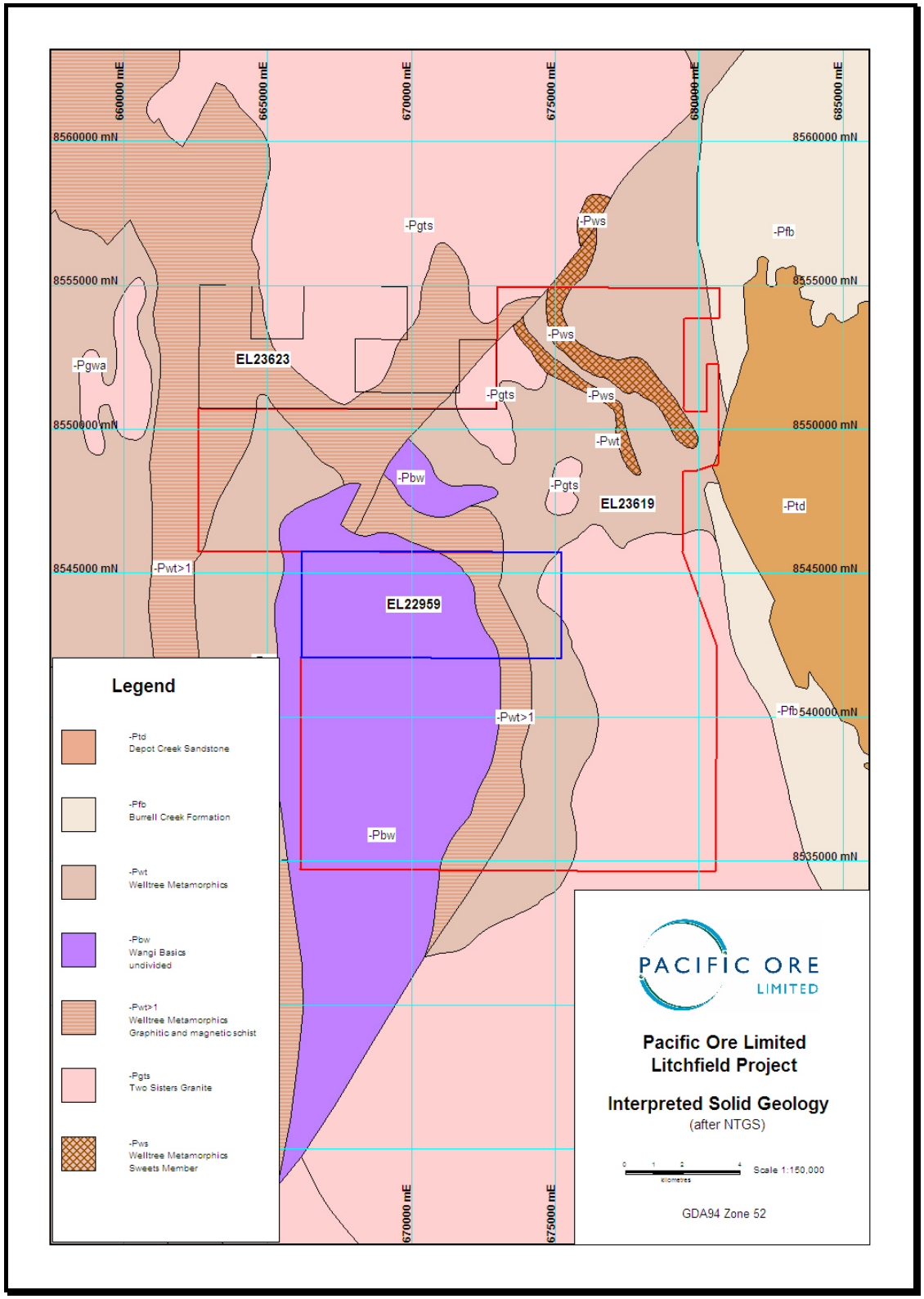


Figure 3: Local geology

4. PREVIOUS EXPLORATION

The Litchfield area has received a large amount of diversified regional-scale (greenfields) exploration work over the past forty years. A large proportion of the previous work was for uranium and diamonds, using regional stream geochemistry, aeromagnetics and radiometrics as the main exploration tools. Only a very small proportion of the previous work was dedicated towards Ni-sulphide exploration. The base metal exploration efforts have been mainly for Cu and Zn within the Proterozoic submarine volcanics, (e.g. along strike of the Daly River Copper Mine). In many cases, no Ni analyses were conducted in the previous geochemical surveys.

More recently exploration completed within EL23619 has included the following:

- Airborne EM survey (Geotem) in 2004;
- Collection of ground EM (SmartEM) in 2005;
- Interpretation and modelling of geophysical data;
- Drill testing of conductive anomalies with two diamond core holes.

5. CURRENT EXPLORATION

During the current reporting period Company consultants undertook two field reconnaissance visits to the tenure. The reports detailing the areas inspected the results of sampling and recommendations for further exploration are included as appendices to this report.

6. REFERENCES

Johnstone, A, 2006. Annual Report for Exploration Licence EL23619, Litchfield Project, Northern Territory, for the year ended 21 October 2006. Discovery Metals Limited,

Review of Mineral Occurrences on Litchfield Tenements

Andrew Johnstone
August 2007

Four prospects/mineral occurrences have been identified on the Trajan Litchfield tenements. These localities provide a focus for further follow up and show potential for Tin Tantalum, Uranium and Gold on the Trajan ground.

Labelle, Tin Tantalum (Wangi)

The Labelle notes suggest a small operation producing Tin, Tantalum Beryllium and Niobium operated at this location and alludes to a reserve being recorded in historical data. Granites are mapped in the northern part of the Wangi tenements.

MineralCategory	Alloying metals
MajorCommodity	Tantalum,Tin
MinorCommodity	Be,Niobium
Status	Abandoned mine
CoxClassification	Sn-Ta pegmatites
MineralField	
TectonicUnit	Pine Creek Orogen
SubUnit	Litchfield Province
Age	PALAEOPROTEROZOIC
Map100K	Reynolds River
Map250K	PINE CREEK
MGA_E	669530
MGA_N	8550265
MGA_ZONE	52
Comments	Reserves given above also contain about 190ppm Be
Size	Small
MiningMethod	Open Cut
Depth	50
ProductionComments	
ResourceComments	

Far West, South, Tin Tantalum (Wangi)

The Far West south notes suggest an occurrence where six pegmatite veins have been mapped. These veins are usually associated with a volatile phase (last part of granite to crystalise) is squeezed out of a granite chamber into the surrounding stratigraphy/geology. More historical research is needed here.

MineralCategory	Alloying metals
MajorCommodity	Tin
MinorCommodity	Niobium,Tantalum
Status	Mineral occurrence
CoxClassification	Sn-Ta pegmatites
MineralField	Bynoe Tin-Tantalum Field
TectonicUnit	Pine Creek Orogen
SubUnit	
Age	PALAEOPROTEROZOIC
Map100K	Reynolds River
Map250K	PINE CREEK
MGA_E	674630
MGA_N	8550565
MGA_ZONE	52
Comments	At least six pegmatite veins trending N to NNE are present at this locality
Size	Occurrence only
MiningMethod	
Depth	0
ProductionComments	
ResourceComments	

Wilsons Creek Uranium (Wangi)

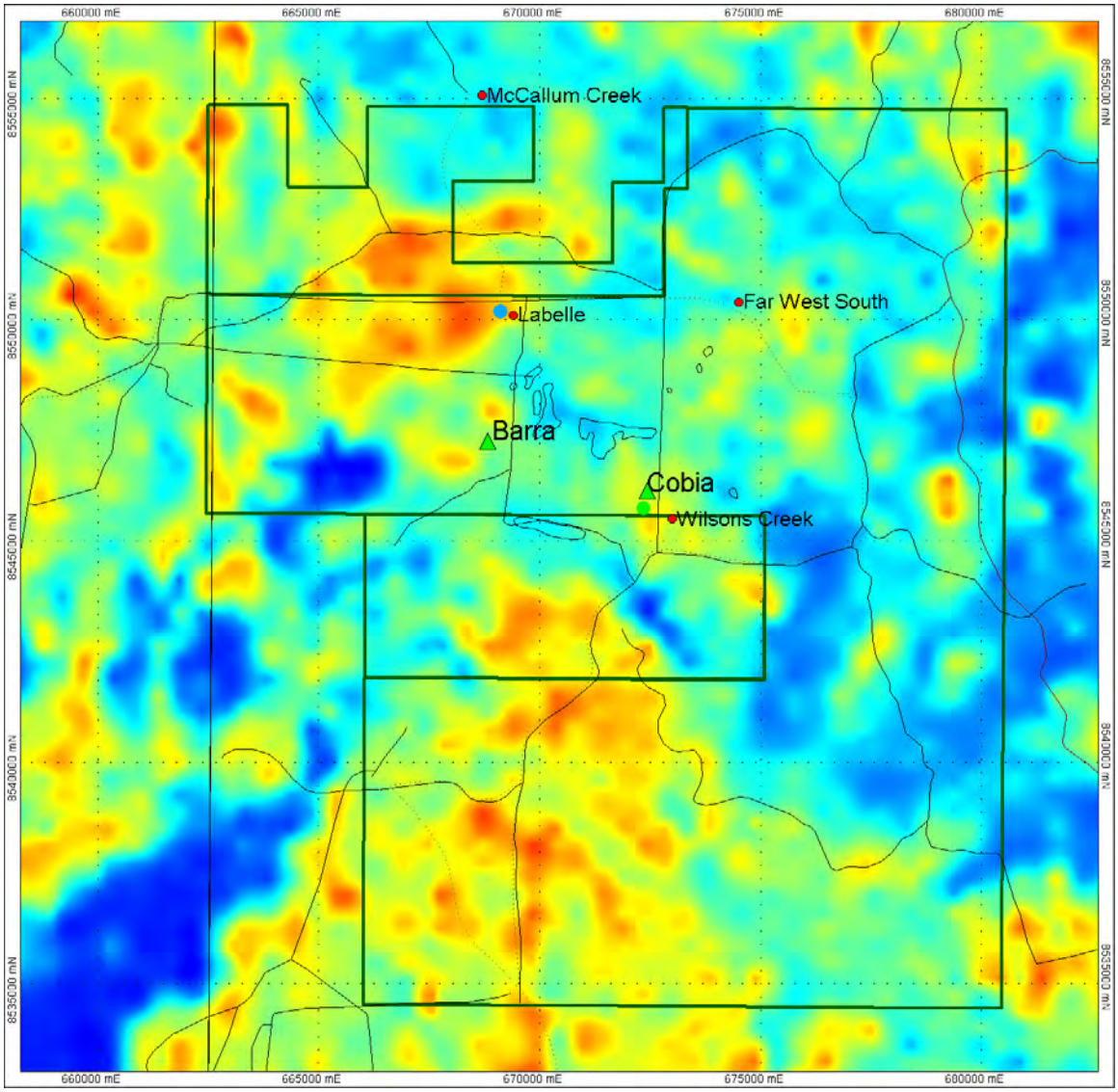
The Wilsons Creek U occurrence seems real, however the notes suggest it's only a sample associated with sulphide bearing shales/carbonaceous schists. The location is very close to the Barra hole and is probably related to the stratigraphy (conductor) intersected in the drilling. Both historical holes (DML 05) show elevated U but no economic. Once again more research is needed to determine the grade of the samples reported from Wilsons Creek.

MineralCategory	Radioactive minerals
MajorCommodity	Uranium
MinorCommodity	
Status	Mineral occurrence
CoxClassification	
MineralField	
TectonicUnit	Pine Creek Orogen
SubUnit	
Age	
Map100K	Reynolds River
Map250K	PINE CREEK
MGA_E	673129
MGA_N	8545661
MGA_ZONE	52
Comments	Supergene anomaly caused by pyrrhotite and pyite within carbonaceous schists.
Size	Occurrence only
MiningMethod	
Depth	25
ProductionComments	
ResourceComments	

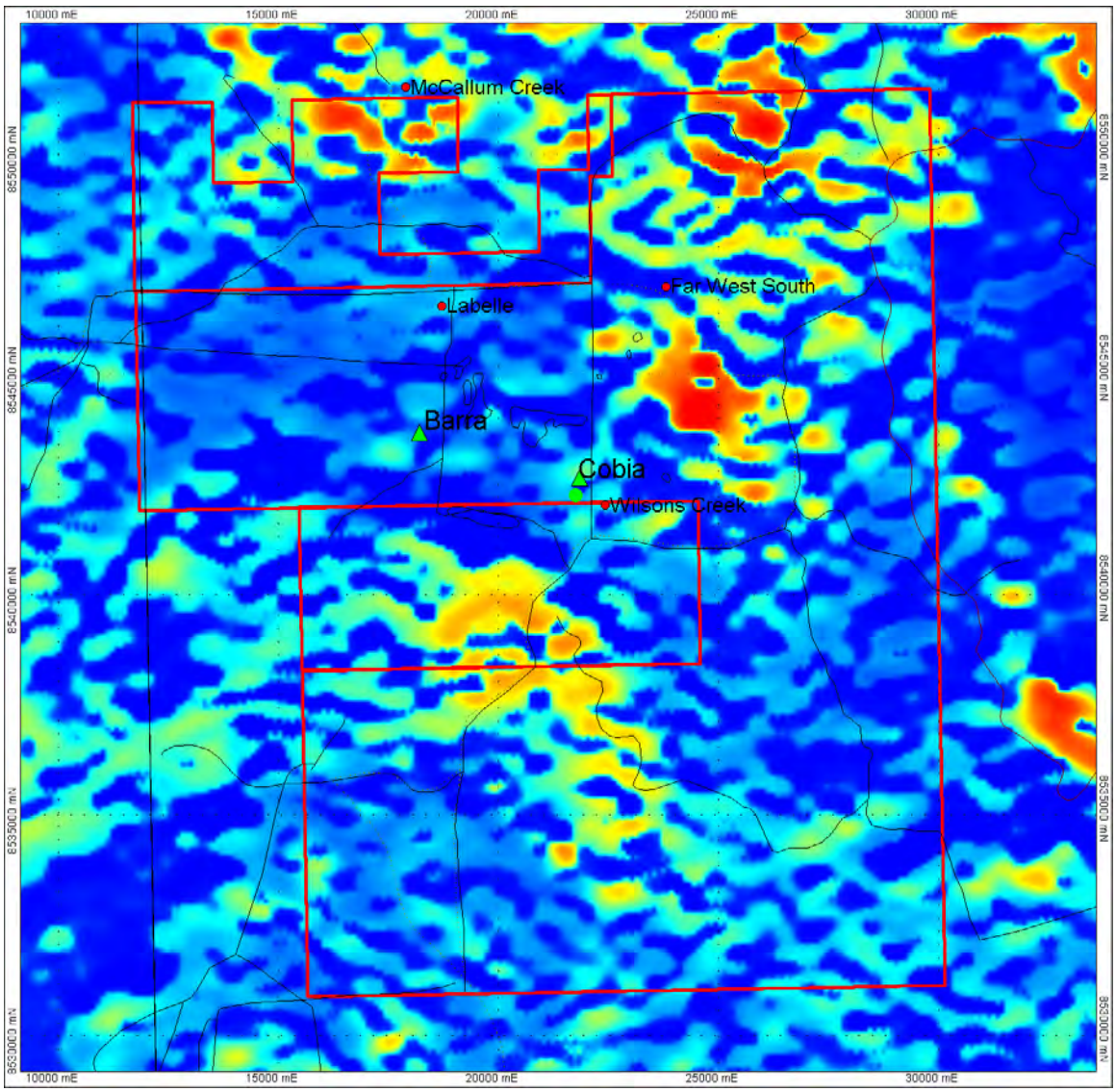
Terry’s Prospect G, Gold (SW Daly)

The occurrence in the southern part of the SW Daly tenements is part of a series of occurrences and prospects making up the Fergusson River Gold field. It’s a remote location, and the prospect looks to be a result of a sampling trip conducted in 1985. Once again further research is need however the four samples with average grade of 11g/t is quite exciting and defiantly worth follow-up. The magnetic and satellite data both reveal interesting structures in the area.

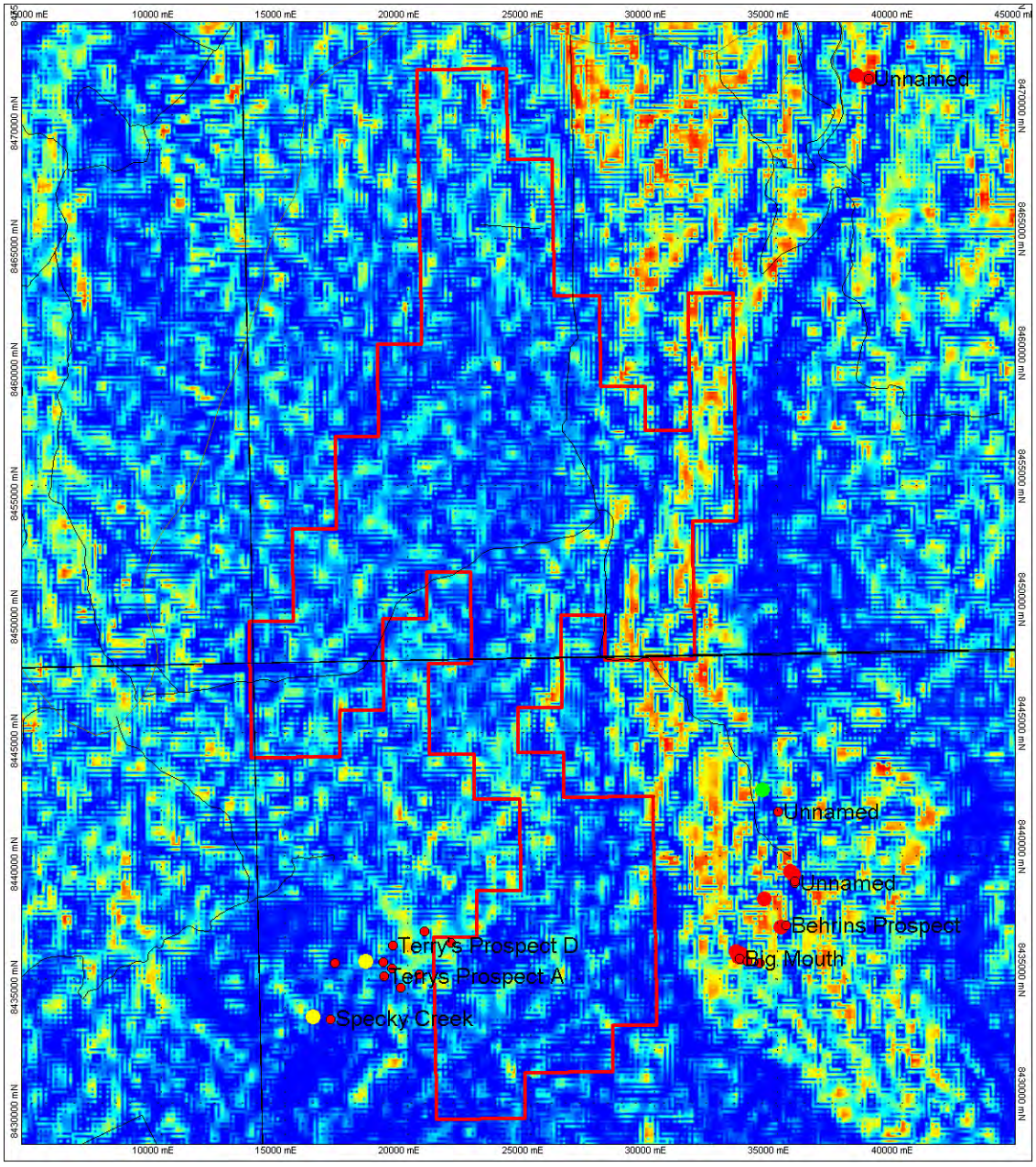
MineralCategory	Precious metals
MajorCommodity	Gold
MinorCommodity	
Status	Mineral occurrence
CoxClassification	
MineralField	
TectonicUnit	Pine Creek Orogen
SubUnit	Litchfield Province
Age	
Map100K	Wingate Mountains
Map250K	FERGUSSON RIVER
MGA_E	669850
MGA_N	8440400
MGA_ZONE	52
Comments	Four selected rock chip samples from outcropping veins averaged 11g/t Au (Simpson,1985)
Size	Occurrence only
MiningMethod	
Depth	0
ProductionComments	
ResourceComments	



Wangi Tenements, Radiometrics data Thorium, Labelle, Far West South and Wilsons prospects all shown. Barra and Cobia Drill holes are shown.



Wangi Tenements, Regional Radiometrics data Thorium, Labelle, Far West South and Wilsons prospects all shown.



SW Daly Tenements, Regional Radiometrics data Thorium, Ferguson River prospects shown. Unfortunately data is not very good, and may have only limited use in targeting surface U related anomalism.

Report on Field Trip to Trajan Minerals Limited's Northern Territory Exploration Licences

Trajan Minerals Limited listed on the ASX on 12th June 2007. The Company has entered into a Farm-in Agreement with Discovery Metals Ltd in regards to the Litchfield project, located in the Northern Territory.

The Litchfield Project comprises two project areas, the Litchfield and Daly River that include three granted exploration licences and two applications for exploration licences.

Summary

William Witham carried out a two-day research and field reconnaissance trip to the NT on Friday 7th and Saturday 8th September 2007.

On Friday, WW visited the NT Department of Minerals and Energy (NTDME). A desktop study was done on pre-existing exploration licences of the areas.

Labelle

WW drove to Labelle Downs Station on Saturday morning and met with Garth Camm, who flew in a Robinson 22. They visited all sites and found a few more around Labelle.

The Labelle Project includes two granted Exploration Licences EL22959 and EL23619 and application EL23623. The first tenement, EL22959, covers 10 sub-blocks (31.7 km2) and was granted on 17 February 2003. EL23619 covers 84 sub-blocks (266.3 km2) and was granted on 22 October 2003. The application covers 63.4 km2 bringing the total area to 361.4 km2 when all the tenements are granted. Expenditure commitment for the granted tenements is $62,074.

The Labelle project has been explored for Nickel. This trip was to look also at other minerals such as Tin and Tantalum.

Tin and Tantalum

Rare element pegmatites crop out in the area form the Litchfield pegmatite belt. The Bynoe pegmatite field is 70km in length and 15km in width. All pegmatites are believed to have been derived from the Two Sisters Granite (Ahmad 1995), which is considered to dip to the east under the Burrell Creek Formation, below the exposed pegmatites. The pegmatites typically occur in clusters,

Location	Easting (Zone 52 L)	Northing (Zone 52 L)	Description
Mount Bundy Homestead (Base)	0731421	8536588	3kms East of Adelaide River
Labelle Station	0662048	8550094	Helicopter Pad at End of runway – Uranium rich laterite
Far West South (B)	0674631	8550566	Tin Tantalum Veins – Not Seen from helicopter - On Twin Hills Station
Wilson's Creek Uranium	0673129	8545662	Laterite Outcrop – Sample Taken
Labelle Tin Mine	0669444	8549786	Small Pit producing tin, tantalum, beryllium and niobium. Very Micaceous
North of Labelle Tin Mine	0669530	8550265	NTDME Location, no mining but much drilling north of Labelle Tin mine
Garth Anomaly	0669016	8548044	Drill holes 2km south of tin mine
Annaliese Anomaly	0668824	8547152	Drill holes and diggings 3km south of tin mine

Micaceous Soil South of Tin Mine 1

Sample LB 003 – Labelle Tin Mine – Coords – 0669444mE and 8549786mN Small Pit producing tin, tantalum, beryllium and niobium. Very Micaceous

Sample LB 006 – Labelle Tin Mine – Coords – 0669444mE and 8549786mN Greywacke from Country Rock

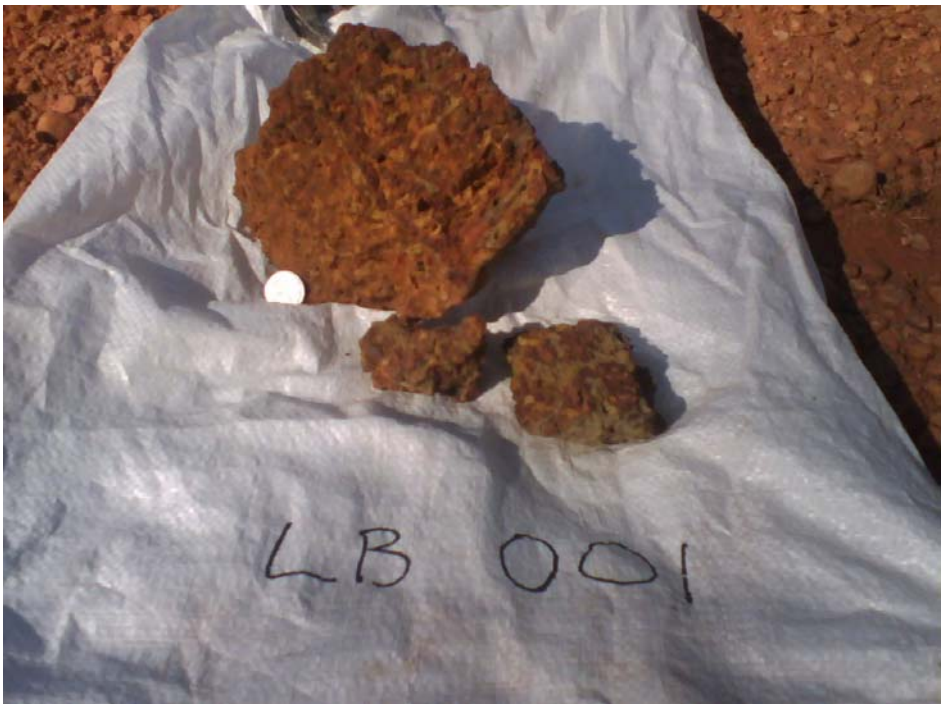
Labelle Tin Mine 1

Labelle Tin Mine 2

Labelle Uranium

There is uranium potential in the area both in the laterite and within the underlying rocks. Anomalies reported to the NTDME seem to occur on outcrops of laterite.

Uranium Mineral Occurrence 1



Sample LB 001 – Wilson's Creek - Laterite Outcrop– Thorium or uranium?? (10c piece for scale). Coords - 0673129 8545662

Sample LB 002 – Garths Anomaly - Laterite Outcrop– Thorium or uranium?? (10c piece for scale). Coords - 0669016 8548044 Drill holes 2km south of tin mine

Nickel

Through compilation efforts, Falconbridge (Australia) Pty Limited identified the Litchfield/Batchelor area of the Northern Territory as being favourable to host Proterozoic, intrusive related, magmatic Ni-Cu-PGE sulphide mineralisation. The tenements are considered to have excellent potential for magmatic Cu-Ni mineralisation related to the Proterozoic Wangi Basics. The Litchfield Province is the continuation of the prospective Halls Creek Province of the Kimberley's, a known significant magmatic Cu-Ni province (e.g. Sally Malay Deposit).

DALY RIVER GOLD and NICKEL PROJECT

The Terry's prospect is situated at 0669850mE and 8440400mN, right on the western boundary of the EL. It was discovered in 1975 by a grab sample of oxidised vein quartz which returned 5.5g/t Au. The prospect is located in a heavily altered granophyre (Ti Tree granophyre) close to the Giants Reef fault and just east of a large regional magnetic anomaly associated with a differentiated mafic complex. Exploration has included stream sediment sampling, soil sampling, percussion drilling, costeaning, and induced polarisation surveys

Sample LB 004 – Daly River – Stream Sediment Sample at bottom left

Sample LB 005 – Daly River – Qtz Breccia – High iron content Terry's Gold Prospect
Coords - 0669850mE 8440400mN

Just East of Terry's Prospect 1

Daly River Project approximately 100 kilometres south of Labelle includes granted exploration licence EL22961 and application EL22960. The granted tenement, EL22961, covers 111 sub-blocks (351.9 km2) and is 20km SSW of Daly River Crossing. The other application covers 14 sub-blocks (44.4 km2) and is 15 km NW of Daly River Crossing and together they bring the total area to 396.3 km2 when granted. Expenditure commitment for the granted tenement is $38,324.

Coordinates

Terry's Gold Prospect	0669850	8440400	Qtz Breccia
Helicopter Landing Site	0670137	8440128	Sample LB 004 – Daly River – Stream Sediment Sample
Daly River Copper Mine	0683430	8487656	
Daly River Crossing	0684592	8477320	