

## **LITCHFIELD PROJECT**

### **2007 WORK PROGRAM FOR EXPLORATION LICENCE 22961**

Exploration Licence 22961 is a part of Discovery Metals Ltd's Litchfield Project which comprises exploration tenements EL10140, 22959, 22960, 23619, 22961, 23623. Discovery Metals Ltd 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, host to the Sally Malay Ni deposit. Discovery Metals Ltd acquired the Litchfield Project from Falconbridge (Aust.) Pty Ltd following the successful listing of Discovery Metals Ltd on the Australian Stock Exchange on 17<sup>th</sup> December 2003.

Most significant nickel-copper massive sulphide deposits are extremely good conductors. Discovery Metals Ltd's exploration approach in covered terrains relies heavily on airborne electromagnetic (EM) surveying, followed by ground EM to define targets. In the Litchfield area however there is substantial sub-crop which does lend its self to more traditional geochemical exploration methods. In early October 2004 Discovery Metals Ltd flew an airborne EM survey over most of EL 22961. In 2005 geochem and ground based EM (Smartem) was collected over selected sites with un-conclusive results.

The last holder of the tenements, Discovery Nickel Limited (now Discovery Metals Limited) initially collected 2 airborne EM surveys and a number of semi regional geochem lines. Follow up ground EM revealed two targets for drilling. Drilling proved to be a technical success with sulphides intersected however they were primarily pyrrhotite with only traces of economic minerals. The result was also considered a success as the stratigraphy would be an excellent sulphur source for the formation Ni Sulphides in the mafics (Wangi basics)

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 km<sup>2</sup>) and is 20km SSW of Daly River Crossing. The other application covers 14 sub-blocks (44.4 km<sup>2</sup>) and is 15 km NW of Daly River Crossing and together they bring the total area to 396.3 km<sup>2</sup> when granted. Expenditure commitment for the granted tenement is \$38,324.

On the 28th February 2007, Trajan Minerals Ltd and Discovery Metals Ltd entered into a Farmin Agreement. The Farmin Agreement covers EL 22959, 22960, 22961, 23619 & 23623. Under the terms of the agreement Trajan Minerals Ltd has paid Discovery Metals Ltd \$100,000 (non-refundable) and can earn a 51% interest in the tenements by the expenditure of \$450,000 by 30 June 2008. Trajan Minerals Ltd can earn a further 29% interest by the further expenditure of \$450,000.

The agreement is conditional upon Trajan Minerals Ltd listing on the ASX having raised a minimum of \$2.4 million by 30 June 2007. Trajan Minerals Ltd issued a prospectus on the 24th April 2007 to raise \$2.5 million. A copy of the prospectus was forwarded in regards to a waver lodged on EL 22959 in late May 2007.

Trajan Minerals Ltd have recently closed their offer fully subscribed and listed on the ASX.

Property Access: Peter Camm at Labelle Station:

A field trip was planned for 22nd to 24th of June. This was to include a consulting geologist (Andrew Johnston) three directors of Trajan and an investor. Unfortunately the team was unable to negotiate access to one of the main farms (Welltree Station) as part of the Litchfield group of tenements. A phone link up was conducted on Wednesday 20th with Mr Peter Camm of Welltree Station. He had originally stated (when Andrew Johnston called him the week earlier) was initially stating that he required over \$1,000 cash per person per day to enter his property. During the phone link up with Mr Camm on Wednesday 20th June, we were able to agree to access to the property, however this requires a week notice to be given to the property owner, and for Trajan to provide repairs to roads that are accessed (due to the water on road and the likelihood of damage to these roads following access). While the Labelle station is not on the EL 22961, the field trip was postponed as it was impractical for the field trip to take place unless the Company could get onto all of the Litchfield tenements.

## **Work Program**

**10 July 07 – 10 July 2008**

### **General Summary of proposed activities**

Considering the approach of Discovery Metals and previous explorers and the fact Trajan is firmly focused on this area as its Key project. It is proposed that more systematic geochemistry is used across the tenements to better understand not only the Ni potential but also screen for all the other potential styles of mineralisation. It was shown by DML that geochemistry is both a cost effective and time effective tool for defining targets and worked well in the sub-outcropping geology.

Detailed aeromagnetism should also be collected, particularly over the Wangi tenement to better understand the location of Wangi basins in the reduced sulphur bearing stratigraphy (intersected in drilling). Combined with geochemistry, EM (Geotem already collected) and additional field mapping. The data should define many new targets for examination.

Review Historical Work to ensure no obvious information that could lead to discovery has been missed. Important considering previous holder was only focused on NiS. Radiometric will be important. Regional NASVD processed radio metrics for the whole of the NT has now been stitched and made available by the NTGS.

Plan and collect semi regional geochemistry over tenements. Suite of elements will need to cover all mineralisation possibilities. The technique is cost effective and there is a good local contractor available for this work.

Seek quotes for detailed aeromagnetic survey (Fugro or UTS) for particularly Wangi tenement, but also for Daly tenement.

Initiate Surveys along with field mapping to better understand location of Wangi basics and other important stratigraphy.

Compile and interpret results to define areas for follow up. Follow up may include ground investigations, ground EM surveys, additional geochemistry and drilling.

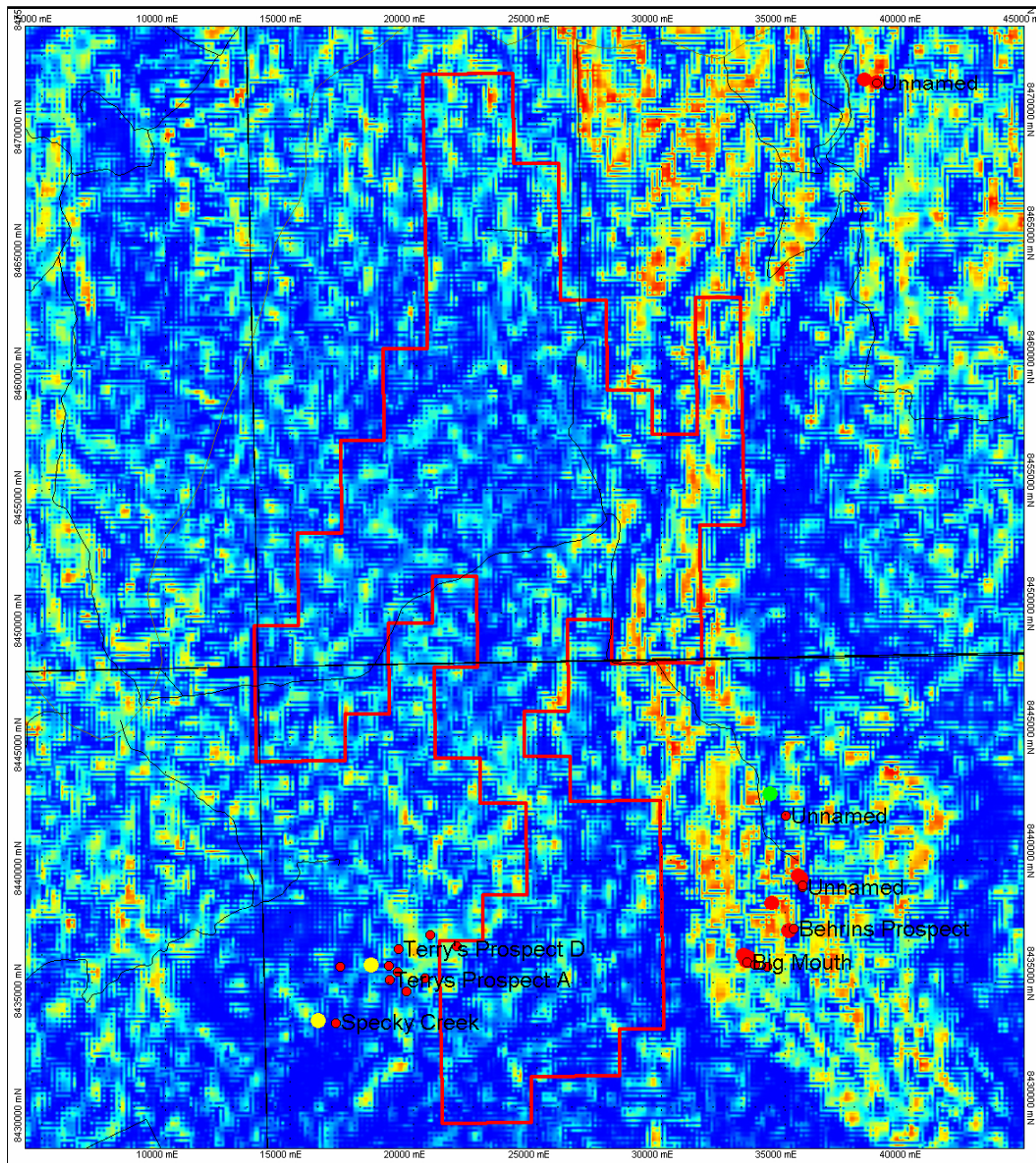
#### **Work completed on the tenement since July 10 2007**

The company has embarked on a desktop study since July and this is ongoing. This desktop study included the recovery and analysis of the regional radiometric data, and also an analysis of the Terry's Prospect, for Gold.

The company has also completed two field trips to the EL, one in August and one in September.

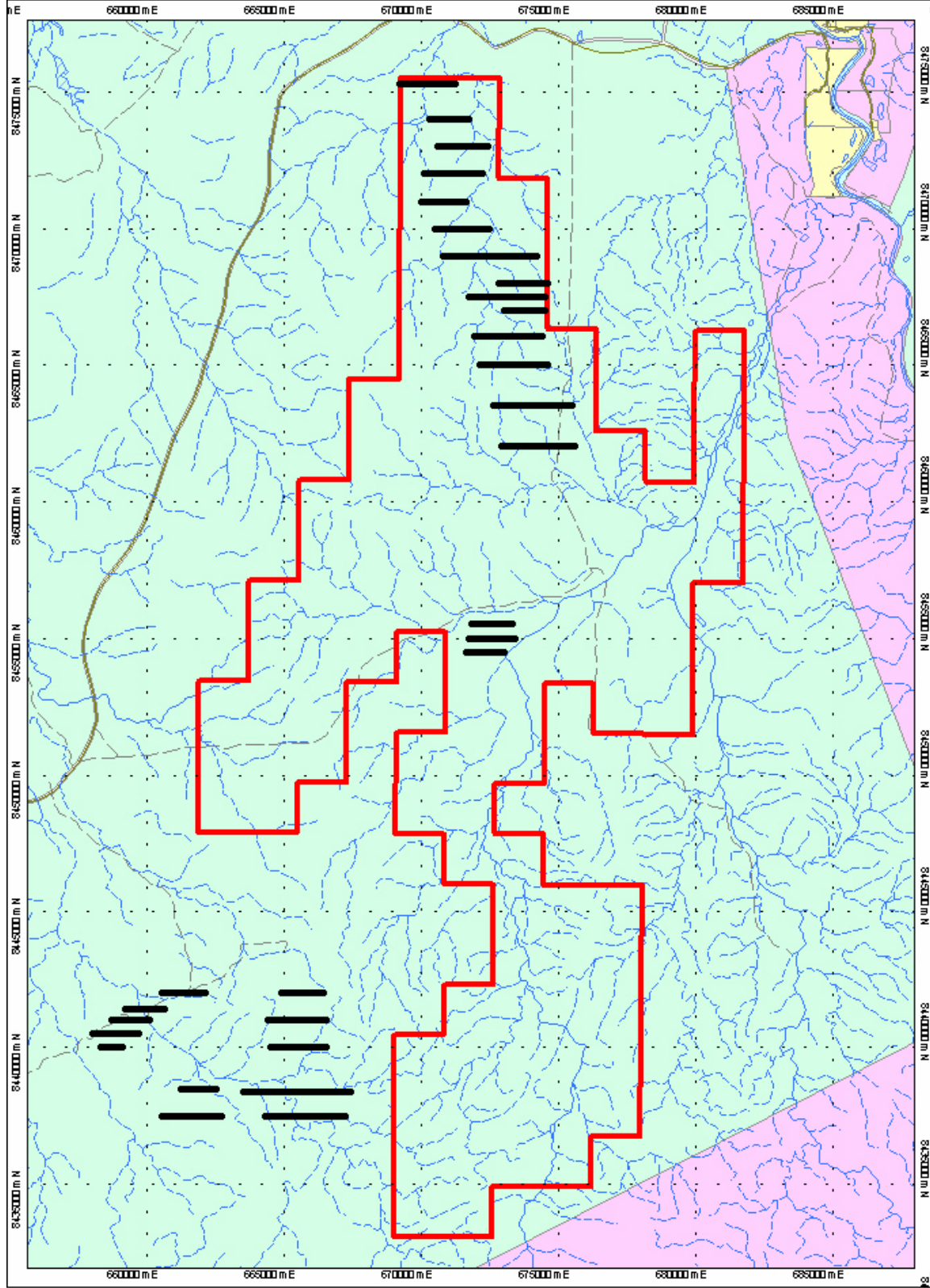
The August field trip was designed to follow up on the desktop study, and in particular have a look at various prospects on the tenement.

The September field trip was conducted via helicopter, to access a gold prospect on the tenement that the company was unable to locate in the August field trip.



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.





Daily River, EL over Cadastra tenement lies over Elizabeth Downs Station

## 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





## 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	



### **Work programme for following period.**

The allocated budget for further work on EL 22961 including:

- processing and interpretation of GEOTEM data;
- Grid soil sampling program covering the complete tenement, planned for completion prior to December. Arnhem Geological and Exploration Services of Tennent Creek: Phil Merry. These guys are extremely busy however we are expecting the soil geochem to be completed by December. Expected spend \$30,000 in total. Include interpretation of results.
- Airborne survey: We have been trying to arrange an airbourne magnetic survey from UTS Geophysics in Perth. We are scheduled for the 14th of December, however we are trying to get this done in November. Expected spend \$50,000 in total. Michael Leas is the contact here.
- Develop program to further map and define targets on the EL, with a focus to preparation for a drill program which will more than likely be targeted for second quarter of next year (i.e. after the wet season, march/April), depending on 2007 program and clearances.
- Andrew Johnston has been contracted to provide ongoing geological consulting services. The company has also used the services of Chub Witham, a qualified geologist for the second field trip, and resulting analysis of the trip.
- Rock chip samples for the second field trip have been sent to ALS in the NT.

The detailed exploration Budget is shown in Table One.

Table One – Exploration Program Budget

<b>EL 22961</b>	<b>AUD\$</b>
<b>Airborne EM</b>	50,000
<b>Ground EM</b>	10,000
<b>RC drilling</b>	50,000
<b>Geologist / Geophysicist</b>	15,000
<b>Geochemistry</b>	30,000
<b>Field Technician</b>	10,000
<b>Vehicle Hire</b>	2,000
<b>Chopper hire</b>	5,000
<b>Travel</b>	10,000
<b>Rehabilitation</b>	2,000
<b>Tenement Fee</b>	12,000
<b>Total</b>	<b>129,000</b>