OM Manganese Ltd

EL 22786
Attack Creek

Year 5

Annual Exploration Report

year to 23/03/2008

Report Compiled By:

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1 Tenement Details

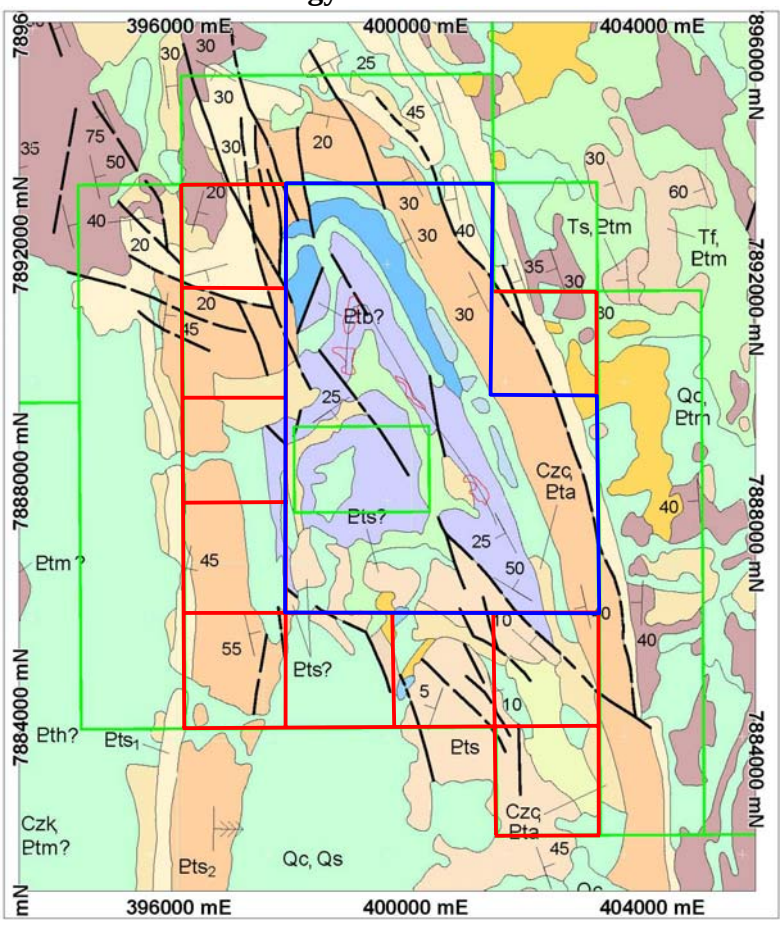
The 34 block licence was granted on 24/03/03, was reduced by 14 blocks in 2006 and a further 10 blocks reduction is proposed for 2008.

Table 1: Tenement Details

Project	EL Number	Blocks	Area (Remaining)	Grant Date (Partial Surrender)
Attack Creek	22786	34	106.73 sq km	24/03/2003
		20	(62.61 sq km)	(-14 blocks in 2006)
		10	(31.30 sq km)	(-10 blocks in 2008)

2 Geology

Figure 1. Tenement Geology and Area Retained



Outlines: Green - Original grant area (34 blocks)
Red - 2008 partial surrender (-10 blocks)
Blue - 2008 area retained (10 blocks)

The Attack Creek project contains a sedimentary sequence analogous to the Bootu Creek area that hosts the Bootu Creek manganese deposits. The tenement is interpreted to contain sequences of sandstones and siltstones which have the potential to host manganese mineralisation.

A detailed geological description is included in the 2007 Project Review by Amit Eliyahu appended to this report. The figure above shows the remaining tenement area in blue over the NTGS geology mapping from the Tennant Creek sheet.

3 Previous Work

Only regional reconnaissance via a field visit in 2004/05 had been conducted over the tenement area prior to Year 4.

In Year 4 OM Manganese (OMM) commenced a satellite-borne ASTER spectral study over the project area in an attempt to identify possible Mn mineralisation targets, prospective stratigraphy and contacts, and prospective structures.

The Advanced Thermal Emission and Reflection Radiometer (ASTER) can be considered to be the geological successor to Landsat TM. The ASTER instrument collects data in 14 bands and is described in detail in the attached Project Review.

Mapping of ferrous iron spectra proved useful in identifying ironstone and disseminated Mn in siltstone and sandstone, though not as distinctively as in the Bootu Creek Project area. Mapping for Mg(OH) abundance and for the dolomite spectral signature identified the entire Attack Creek Formation dolomite unit, though with mixed results in identifying dolomitic-siliclastic units.

Reconnaissance field work was conducted in late November 2006 to test targets derived from the ASTER spectral study and evaluate its value as an exploration tool over the project area, to advance our geological understanding of the Mn mineralisation style and establish the physiography of the project area for access and planning of logistical aspects of future exploration activities (Figure 2).

Conclusions from the above program were that the project area is prospective for Mn mineralisation and under-explored. ASTER was successful in identifying the one known Mn mineralised outcrop (A) and added three new zones of disseminated Mn mineralisation (B,C,D see Figure 3).

A new database of GPS located geological field observations, rock chip samples, field photography and mapped and unmapped access tracks was established over the project area. 16 Rock chip samples were collected for geochemical analysis, petrological and spectral signature studies.

The spectral studies and field reconnaissance work was completed by consulting geologist Amit Eliyhu and is reported in detail in the attached Project Review.

Figure 2. Project Location and Access Plan.

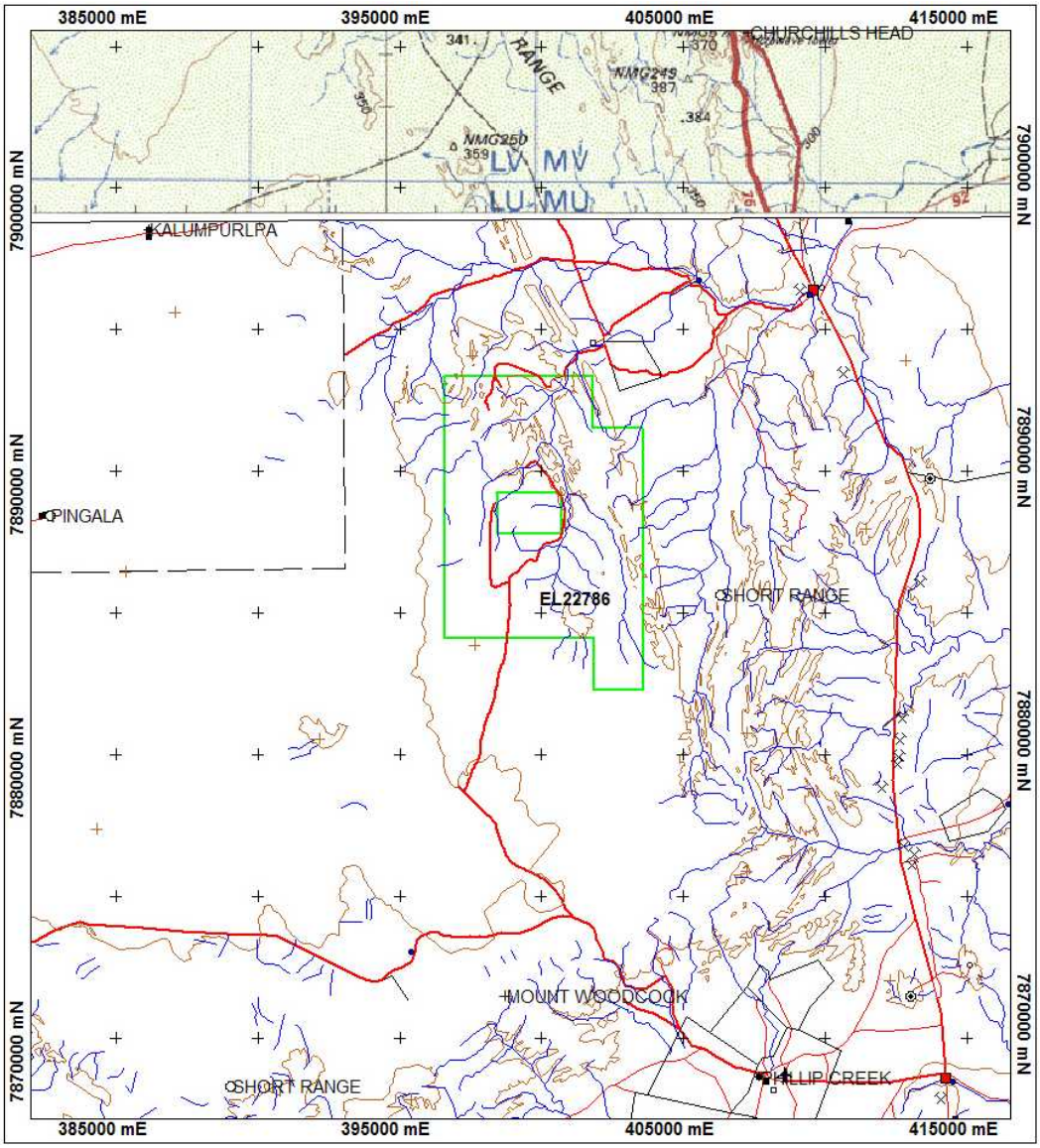
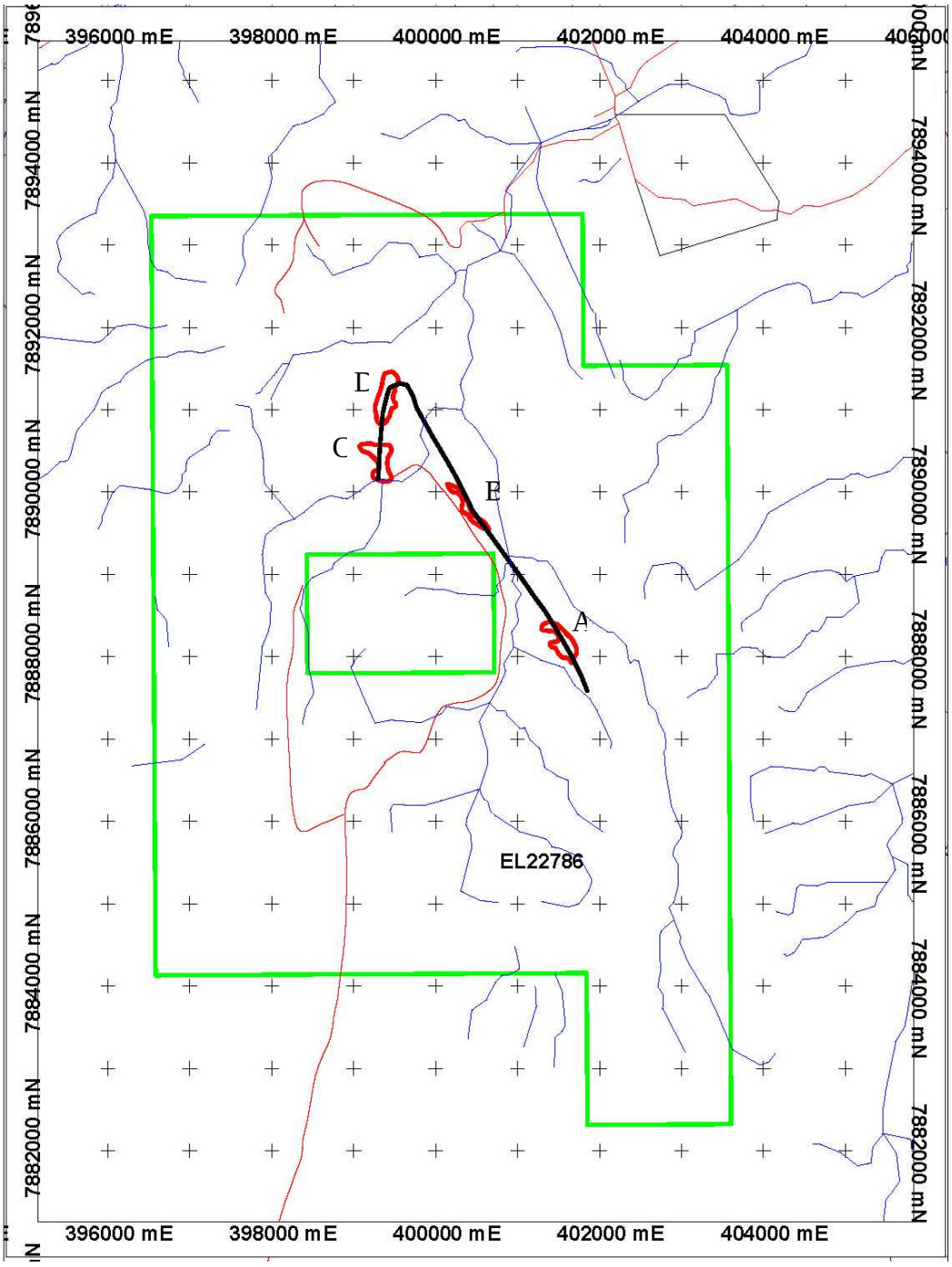


Figure 3. Prospective Contact and Identified Mn Mineralisation



4 Work Completed During Year 5

Rock Chip Sampling -

16 samples collected in the previous field season were assayed for 44 elements. Results are encouraging for several of the samples and need to be followed up with further field reconnaissance and RC drill testing during year 6.

Better results included

Point	Mn	MGA94 co-ords
P334	24.3%	402718E, 7872330N
P356	22.5%	399250E, 7890467N
P366	25.3%	398772E, 7892944N
P371	29.5%	399293E, 7892679N
P373	20.2%	399313E, 7892437N

Full sample location and assay results are attached in Appendix 1 (note Mn quoted in table as MnO).

Petrology -

P377 *(description by* Janet Muhling of UWA*)*

Comments

Attack Creek: ironstone after silt-sandstone; Mn staining.

Hand specimen examination

Layered ferruginous sandstone, with layering caused by differences in grainsize. The quartz grains are generally well rounded within a red ferruginous cement, although some layers have a dark cement. The weathered surface of the sample is black, possibly due to Mn staining, but on a cut surface the matrix is mostly red.

Petrographic examination

The rock is a sandstone with clasts from 0.1-1.0 mm across. Most of the clasts are single crystals of quartz, but there are rare clasts of quartzite and chert. Some clasts are elongate but not aligned, and the clasts are matrix supported. Fractures within the quartz grains are iron stained. Unlike the sandstone from BSDD0691, there is no pervasive fracturing of the quartz grains in this sample, and no acicular crystals growing in the quartz grains. The ferruginous matrix (goethite) flows around the quartz clasts, and shows some colloform banding. There is no evidence of Mn mineralization in this sample.

5 Expenditure Incurred for Year 5 (to 23 Mar-2008)

G.I.S. -	Spectral data and processing	$ 1,375
Analysis -	Rock chip analysis (16)	$ 800
	Petro-logical description (1)	$ 220
Project Management -	Review and report	$ 700
Tenement Admin -	Bichard Tenement Services	$ 130
Total	Year 5	$ 3,225
Covenant	Year 5	$25,000

Exploration expenditure for year 5 was constrained by higher priority exploration programs on other OMM project areas including extensive RC drill programs on ML24031 and EL10412, and airborne EM flown over the Renner Springs and Helen Springs areas. A total of $3.6 million was expended on OMM exploration in 2008 and expenditure covenants were met on all other OMM exploration licences.

6 Planned Work Program for Year 6 (to 23 Mar-2009)

Work to date on the Attack Creek project has identified 4 main targets and OMM is keen to resolve the potential of those prospects by drill testing before the end of Year 6.

The OM (Manganese) Ltd exploration program for Year 6 includes -

1. Regional Study - Completing a regional structural study over the Attack Creek project area based on re-gridded magnetic and radiometric datasets.

2. Petrological Study – geochemical, mineralogy and textural properties of Mn mineralisation samples collected during recent field reconnaissance.

3. Geological Field Mapping - map areas of specific interest at 1:20,000 over aerial photography or Ikonos images.

4. Geophysical Study - determine most appropriate follow up geophysical methodology to define drill targets.

5. RC drill test the four main prospect areas (A-D) identified in field reconnaissance.

7 Planned Expenditure for Year 6 (to 23 Mar-2009)

Remote Sensing -	Interpretation (2 days)	$ 1,500
Field Mapping -	Reconnaissance and mapping (4 days)	$ 3,000
Supervision -	Target definition and drill supervision	$ 3,000
RC Drilling -	8 x 50m RC drill program ($60/m)	$24,000
Administration -	Tenement management	$ 500
Total	Year 6 Program	$32,000

Appendix 1

Attack Creek Project

Rock Chip Sampling
Location and Assay Results

Waypoints from Attack Creek

id	east_wgs	north_wgs	elevation	zone	type	date
334	402718	7872330	358	53k	Waypoint	28-Nov-06
335	402167	7872823	365	53k	Waypoint	28-Nov-06
343	401102	7889356	352	53k	Waypoint	28-Nov-06
345	401353	7889676	360	53k	Waypoint	28-Nov-06
346	401347	7889719	355	53k	Waypoint	28-Nov-06
347	401190	7889768	350	53k	Waypoint	28-Nov-06
353	400321	7889758	352	53k	Waypoint	28-Nov-06
355	399305	7890200	348	53k	Waypoint	28-Nov-06
356	399250	7890467	351	53k	Waypoint	28-Nov-06
366	398772	7892944	354	53k	Waypoint	29-Nov-06
371	399293	7892679	350	53k	Waypoint	29-Nov-06
373	399313	7892437	367	53k	Waypoint	29-Nov-06
377	399394	7891311	366	53k	Waypoint	29-Nov-06
384	400079	7892681	330	53k	Waypoint	29-Nov-06
386	400057	7892929	368	53k	Waypoint	29-Nov-06
388	403672	7894968	311	53k	Waypoint	29-Nov-06

Assay results from Attack Creek (PH07024882)

ID	MnO	Fe2O3	SiO2	Al2O3	P2O5	Pb	TiO2	SO3	MgO	K2O	BaO	CaO	LOI 1000	Cu	Cu %XRF	Zn	Ni	Co	Co %XRF	As	As %XRF	Bi
P334	31.4	16.1	39.8	1.11	0.09	2	0.15	<0.01	0.09	0.45	0.28	0.18	5.04	38	<0.01	9	3	2	<0.01	21	<0.01	6
P335	0.49	72	11.85	2.87	1.25	6	0.26	0.01	0.34	0.92	0.11	<0.01	7.75	137	0.02	64	4	7	<0.01	6	0.02	<2
P343	0.07	67.3	14.4	3.58	0.29	32	0.28	0.26	0.13	0.38	0.45	<0.01	10.5	281	0.03	19	6	15	<0.01	28	0.01	7
P345	0.23	10.65	89.4	0.98	0.11	15	0.02	0.1	0.05	0.2	0.11	0.07	0.71	32	<0.01	5	5	2	<0.01	7	0.01	<2
P346	0.77	44	44.2	0.21	0.58	8	0.03	<0.01	0.05	0.04	0.04	0.24	4.68	35	<0.01	5	7	4	<0.01	<5	<0.01	<2
P347	0.97	67.4	14.75	1.52	0.17	3	0.12	0.06	0.13	0.08	0.09	0.29	33.8	19	<0.01	6	2	7	<0.01	<5	<0.01	3
P353	0.37	3.82	62.8	3.11	0.06	25	0.11	<0.01	5.83	1.63	0.05	8.61	5.18	17	<0.01	413	55	104	0.01	31	<0.01	3
P355	0.21	3.28	33.4	4.77	0.04	5	0.11	0.11	13	2.37	0.21	19	15.95	52	<0.01	11	5	9	<0.01	5	<0.01	2
P356	29	1.24	60.8	0.06	0.1	43	0.08	<0.01	0.17	0.27	0.44	0.44	5.8	426	0.05	361	67	310	<0.01	20	<0.01	5
P366	32.7	1.52	47	1.37	0.09	23	0.52	0.01	0.36	1.18	4.33	1.65	39.8	10	<0.01	16	<1	4	<0.01	<5	<0.01	5
P371	38.1	3.49	47.5	0.27	0.15	10	0.17	<0.01	0.06	0.19	0.97	0.61	1.73	55	0.01	36	9	32	<0.01	5	<0.01	<2
P373	26.1	2.01	58.9	1.13	0.05	13	0.37	<0.01	0.11	1.09	2.93	0.49	3.46	183	0.01	10	4	8	<0.01	16	<0.01	2
P377	1.22	73.2	9.81	5.32	0.06	67	0.26	<0.01	0.05	0.01	0.1	0.24	8.63	242	0.02	57	13	12	<0.01	38	<0.01	2
P384	0.72	66.4	16.9	4	0.06	3	0.27	0.02	0.01	0.03	0.14	0.21	32	85	0.01	17	2	17	<0.01	13	<0.01	<2
P386	0.06	6.25	92.9	0.32	0.02	9	<0.01	<0.01	0.04	0.02	0.03	<0.01	0.56	28	<0.01	5	6	2	<0.01	<5	<0.01	<2
P388	0.29	34.6	59.2	0.88	0.03	5	0.08	0.02	<0.01	0.03	0.06	0.19	7.53	16	<0.01	46	13	17	<0.01	58	<0.01	<2

ID	Cd	Mo	Ag	Sb	U	V	W	Cl	Cr2O3	Mo	Na2O	Ni	Pb	SnO2	SrO	U	W	V2O5	Zn	ZrO2	Se	Te
P334	<0.5	1	<0.5	<5	<10	74	<10	0.01	0.5	<0.01	0.09	<0.01	<0.01	<0.01	0.02	<0.01	0.01	0.02	<0.01	<0.01	0.6	<0.05
P335	<0.5	<1	<0.5	<5	<10	165	<10	0.03	<0.01	<0.01	0.11	<0.01	<0.01	0.31	0.01	<0.01	0.01	0.01	0.01	<0.01	1.4	<0.05
P343	<0.5	2	<0.5	<5	10	27	<10	<0.01	<0.01	0.01	<0.01	<0.01	<0.01	0.35	0.01	<0.01	0.02	0.01	<0.01	<0.01	<0.5	<0.05
P345	<0.5	4	<0.5	<5	10	58	10	0.02	0.01	<0.01	0.12	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.01	<0.01	<0.01	0.9	0.09
P346	<0.5	1	<0.5	<5	<10	23	<10	0.01	<0.01	<0.01	0.16	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.02	<0.01	<0.01	1.5	<0.05
P347	<0.5	1	<0.5	<5	30	19	<10	0.04	<0.01	<0.01	0.1	<0.01	<0.01	<0.01	<0.01	<0.01	0.01	0.03	<0.01	<0.01	2.8	<0.05
P353	2.5	1	<0.5	6	<10	81	<10	0.05	0.01	<0.01	0.24	0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.01	<0.01	0.03	0.8	<0.05
P355	<0.5	<1	<0.5	<5	<10	12	<10	0.01	<0.01	<0.01	0.06	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.03	<0.01	<0.01	2.1	<0.05
P356	1	12	2.1	11	<10	145	<10	<0.01	0.49	<0.01	0.04	0.01	<0.01	<0.01	0.01	<0.01	<0.01	0.01	0.05	<0.01	0.8	<0.05
P366	<0.5	<1	<0.5	<5	30	13	10	0.29	0.59	<0.01	0.39	<0.01	<0.01	<0.01	0.03	<0.01	<0.01	0.07	<0.01	<0.01	2.7	<0.05
P371	<0.5	1	<0.5	<5	<10	17	<10	0.07	0.62	<0.01	0.09	<0.01	<0.01	<0.01	0.02	<0.01	0.01	0.02	<0.01	<0.01	<0.5	<0.05
P373	<0.5	1	<0.5	<5	<10	47	<10	<0.01	0.44	<0.01	<0.01	<0.01	<0.01	<0.01	0.02	<0.01	<0.01	0.05	<0.01	<0.01	1.8	<0.05
P377	<0.5	2	<0.5	<5	10	35	<10	0.01	0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.01	<0.01	0.02	0.03	0.01	<0.01	<0.5	<0.05
P384	<0.5	1	<0.5	<5	10	61	<10	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.01	<0.01	<0.01	2.6	<0.05
P386	<0.5	1	<0.5	<5	<10	5	<10	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.23	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.5	<0.05
P388	<0.5	2	<0.5	6	10	31	<10	0.01	<0.01	<0.01	0.22	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.02	0.01	<0.01	0.6	<0.05

Appendix 2

Attack Creek Project Review

by

Amit Eliyahu

January 2007