Helen Springs –
Bootu Creek Project

5th Annual Exploration Report
for
EL23698


Report Compiled By:

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1. Project Tenure Details

Comprises one granted Exploration Licences -

EL23698 granted 06/08/2003 19 blocks report period year 5

The EL was granted for a period of six years from the grant date and comprises the Helen Springs Project Area with EL23495 and EL24052.

2. Location

HELEN SPRINGS 1:250,000 SE 53-10
HELEN 1:100,000 5661
MUCKATY 1:100,000 5660

As shown in Figure 1, Exploration Licence EL23698 is located 20km northwest of OM (Manganese) Ltd’s (OMM) Bootu Creek manganese mining operation and 10km southeast of Helen Springs Station.

3. Geology

The exploration licence is located predominately within the Namerinni Group in the Ashburton Province of the Tennant Creek Inlier. The favourable manganese bearing horizon in the adjacent Renner Springs area is hosted principally by the siliciclastic-carbonates of the Shillinglaw Formation (Pms) and is conformably overlain by the Willeray bedded sandstones (Pmw).

The prospective Palaeozoic rocks are also covered in part by Cenozoic alluvium, colluvium and aeolian sand (Figure 2). There are no identified manganese outcrops on the exploration licence.
Figure 1. Plan showing the location of EL23698 in relation to the other OMM project areas and tenure.
4. Previous Work

Exploration activity being undertaken by OM Manganese during previous years includes:

- Geological review, interpretation and report,
- Satellite borne ASTER spectral study, and
- Field work

5. Work Completed during the 2007/08 Reporting Period

During this reporting period, OMM conducted an extensive airborne electromagnetic survey of the Helen Springs and Renner Springs Project Areas.

Interpretation of the gridded data (Figure 3.) shows a large oblate zone of low conductivity surrounded by moderately conductive units. The apparent EM high surrounding the low is most likely an artefact of the first vertical derivative processing of the data as is the EM high which strikes north-south immediately east of EL23698.
In an effort to help find access into the rough terrane within EL23698, archived satellite (Ikonos 0.8m pixel) imagery covering the area was purchased from GeoImage Pty Ltd in Brisbane. The image comprises Figure 4.
6. Expenditure Incurred for 2007/08 (year 5)

Exploration expenditure incurred for period August 2007 to July 2008 was

- Geological Supervision $3,500
- SkyTEM airborne survey $43,500
- Ikonos satellite imagery acquisition $4,500
- Geophysical Consultants $3,000
- Geological Review and Report $600
- Tenement Administration $600

Total: $55,700
7. Planned Exploration Program for 2008/09 (year 6)

Recommendations for further work include

- Airborne magnetic and radiometric survey
- Field checking of mag and radiometric anomalies,
- Geological mapping as required,
- Identification of drill targets, and
- Drill testing of anomalies (if justified).

The airborne geophysical survey has been contracted to Perth-based GPX Pty Ltd and is scheduled to be flown over OMM entire tenement holding, commencing October 2008. The combined survey is estimated at 16,000 line km and the component attributable to EL23698 is around 450 line km.

8. Planned Expenditure for 2008/09 (year 6)

Planned expenditure for period August 2008 to July 2009

- Geological Supervision $ 4,500
- Geological Mapping/Interpretation $ 6,000
- Remote Sensing Interpretation $ 1,200
- Airborne mag and radiometrics $ 9,000
- Geophysical Modelling $ 2,000
- Drill Target generation $ 2,400
- Preliminary drilling of targets (provisional) $ 20,000
- Tenement Administration $ 500

$ 45,600