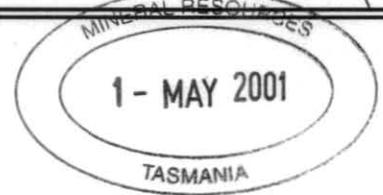


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SEDIMENTARY HOLDINGS LTD
in joint venture with
Northwest Bay Co. Ltd

MICROFILMED
FICHE No. 015564

FORSTER PROJECT, TASMANIA
EL's 3/94, 33/96 & RL9803

OPEN FILE

ANNUAL TECHNICAL REPORT
FOR
THE PERIOD
September 1999 to September 2000

MINERAL RESOURCES		
FILE REF:		
- 1 MAY 2001		
DOC. REF:		
OFFICER	FOR ACTION	FOR INFO
EL3/94		
See folio 32		
EL33/96		
See folio 78		
RESUBMIT TO	DATE	
RL9803		
See folio 37		

Licensee: Sedimentary Holdings Ltd
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Report Date: 10 April 2001

Distribution: Sedimentary Holdings Ltd
Mineral Resources Tasmania
Mrs H.S. Forster (North West Bay Co. Ltd)

01_4549

Annual Technical Report for the period September 1999 to September 2000 - Forster Project, Tasmania - Northwest Bay Co Proprietary Limited; Sedimentary H James, J. EL3/1994; EL33/1996;



ABSTRACT

Sedimentary Holdings Ltd owns 100% interest in two Exploration Licences (EL3/1994, EL 33/1996) and one Retention Licence (RL9803) totalling 247km² that comprise the Forster Project. These are located 50km west of Hobart in southern Tasmania.

The Forster Project is part of a new metallogenic district, located at the junction of crustal scale northwest (Macquarie-Huon Fault Zone) and north-south trending (Forster Corridor) fault zones. The intrusion of granitoid bodies into this fault junction introduced different styles of mineralisation according to the rock and hydrothermal fluid types.

Exploration by Sedimentary has located a large gold and base metal complex, with the setting and style of mineralisation analogous to multi-million ounce gold deposits currently being mined around the world, including western USA. Accordingly, the model developed for Forster has similar potential for a multi-million ounce gold resource.

Work to date has outlined resources of gold, nickel and zinc mineralisation within a small area of the prospective corridor zone. There is considerable untested potential for gold and base metal mineralisation both along strike and at depth.

Work conducted during this reporting period includes a review of geological models and base metal drill results. Sedimentary is actively seeking to farm-out the project to a joint venture partner. An information memorandum was prepared and distributed to several companies for their review. The Forster Project was displayed as one of Sedimentary's projects at several mining conferences during the year.

KEYWORDS

Location name;	Forster, Glovers Bluff, Weld River
Environment of mineralisation;	Base metal skarn & epithermal style gold mineralisation
Commodities;	Gold, base metals, platinum group minerals



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INTRODUCTION

Exploration Rationale

Sedimentary Holdings Ltd is a publicly listed mineral resource company with its corporate mission to participate in projects with the potential for low-cost production, long life and exploration upside.

The Forster Project is an example of new or enigmatic source of mineralisation, and represents a departure from the conventional wisdom regarding the historic wealth-generating areas of mineralisation in Tasmania.

Location, Land Status and Tenure

The Forster Project is located in southern Tasmania, 50 km west of Hobart and 22 km northwest of Geeveston. (*Figure 1*) Sedimentary owns 100% interest in two Exploration Licences (EL3/1994, EL 33/1996) and one Retention Licence (RL9803), totalling 247km².

The land status is State Forest/Multiple Use Forest Land, managed by Forestry Tasmania. Logging activities in the area have been in progress for some time.

Figure 1 – *Forster Project location (overleaf)*

Geological Setting

LITHOLOGIES

The prospect is exposed in a Precambrian - Palaeozoic age inlier surrounded by Permian age cover sediments. The Precambrian rocks consist of a conglomerate-orthoquartzite-dolomite sequence juxtaposed by Palaeozoic mafic to ultramafic intrusives, volcanics, and volcanogenic sediments. These are covered by flat-lying Permian age shale and siltstones. (*Figure 2*)

Jurassic aged dolerite sills comprise local igneous intrusives (*figure 2*). Regional intrusives include an inferred Devonian age granitoid to the southwest of the project, and two Cretaceous acid/intermediate bodies; the Cygnet Alkaline Complex to the southeast and an inferred body located under the Forster Project area (*figure 3*).

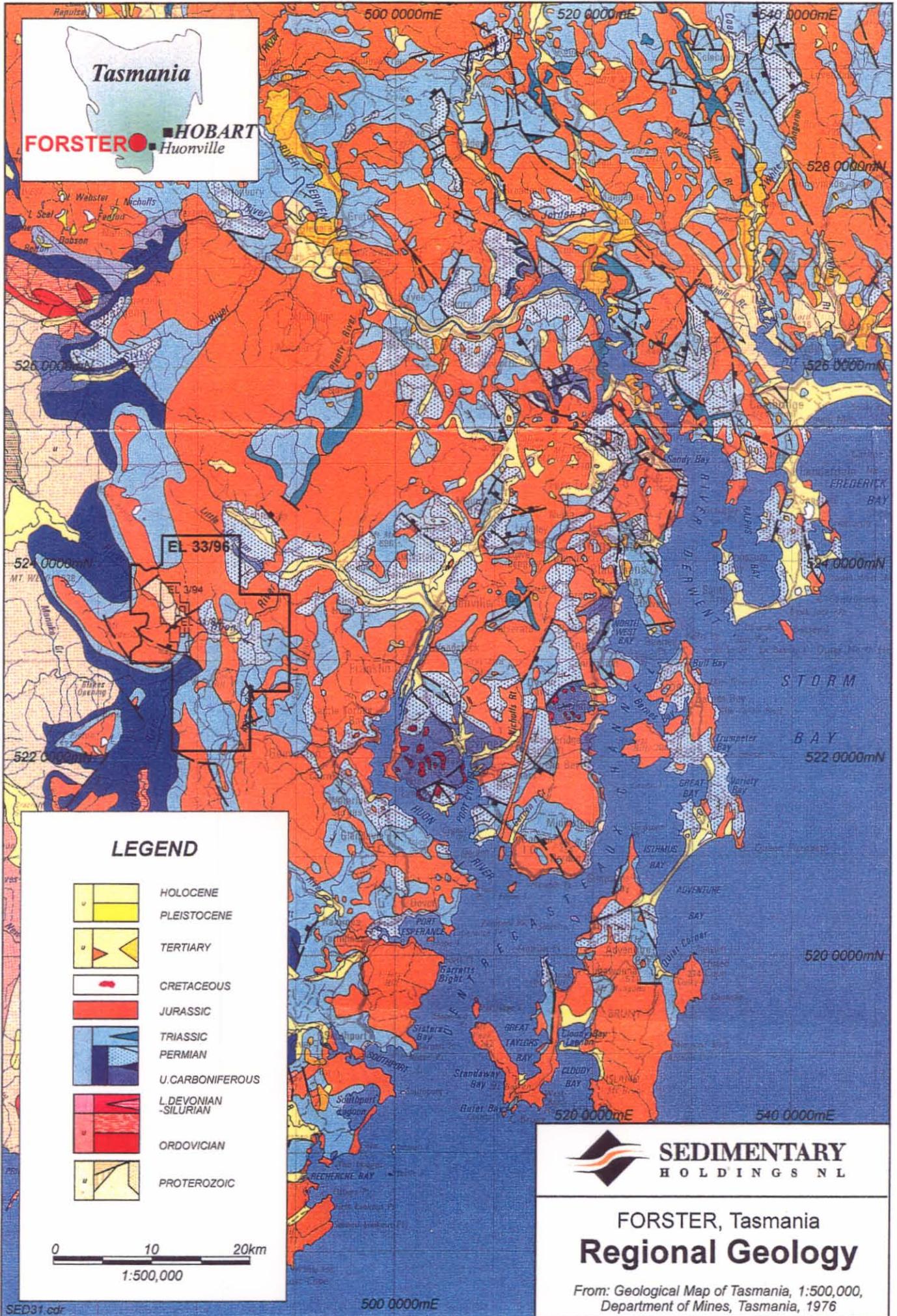
Figure 2 – *Forster Regional Geology (page 3)*

Figure 3- *Forster Project Regional Structure and igneous geology (page 4)*



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Figure 1



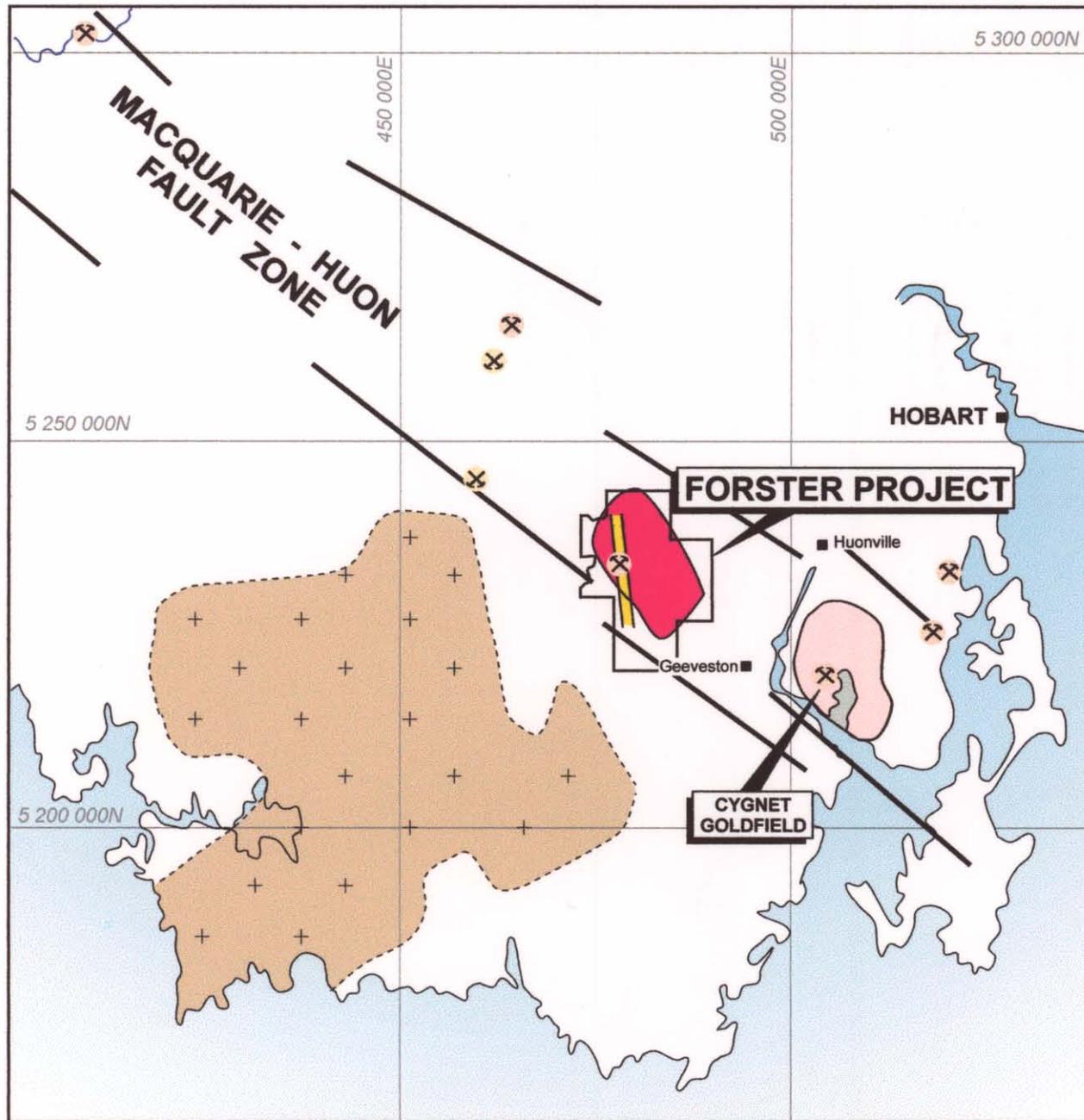
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Figure 2



SEDIMENTARY HOLDINGS LTD

Forster Project



- Cretaceous | Cygnet - Alkaline Complex
- | Forster - Inferred Felsic Intrusion
- Devonian | Inferred Granitoid Intrusive
- | Forster Corridor
- | Major fault
- | x Alluvial gold
- | x Hard rock gold
- | Tenement boundary



50km

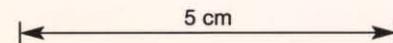


Figure 3.



REGIONAL STRUCTURE

The structural setting around Forster is complex, with the project located at the junction of a prominent northwest trending structure (MacQuarie-Huon Fault Zone) and a north trending fault zone known as the Forster Corridor. (*Figure 4*)

The MacQuarie-Huon fault zone is a major structural feature 30km wide and 230km long that extends across the southern part of Tasmania enveloping the Cygnet Goldfield, 30km to the southeast, and numerous other occurrences of gold mineralisation. (*Figure 3*) The shape of the Cretaceous intrusive body under Forster, inferred from airborne magnetic data, suggests a dilational jog structure was developed during a right handed phase of shearing along this fault zone.

The northerly trending Forster Corridor appears to be the result of either north south trending dextral shears within the jog structure or a reactivation of the northerly-aligned fault.

LOCAL STRUCTURE

Local structures in the area are aligned north-south, northeast and northwest. (*Figure 5*) The dominant structural fabric is north-south as observed along the Forster Corridor and represented by mapped faults, magnetic linears, and dolerite dykes.

A strong probably complementary grain, trends northeast and is represented by mapped faults, magnetic linears and mobile ion geochemical trends. The north-south and northeast orientations are supported by interpretation on consecutive drill sections.

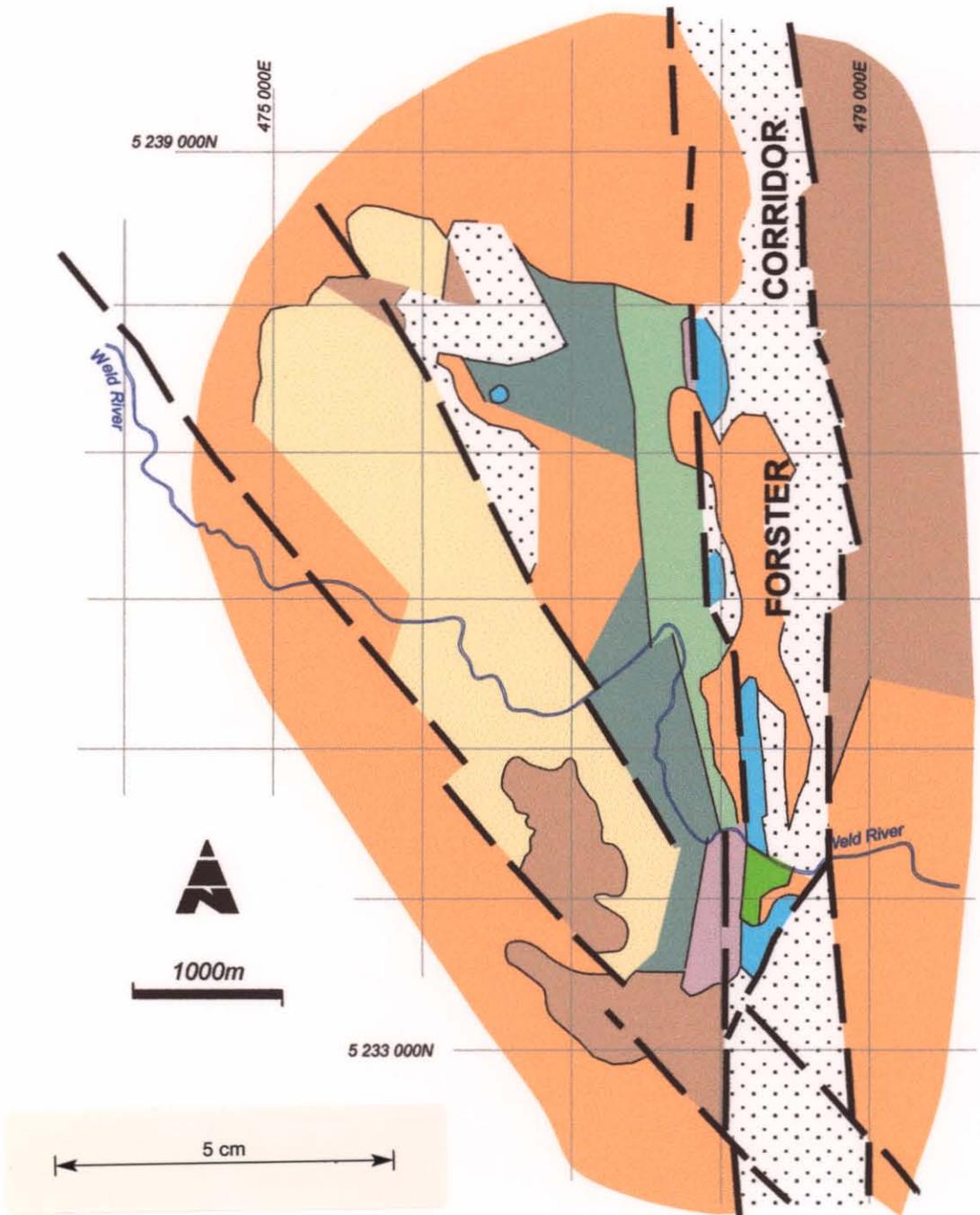
Gold mineralisation at Forster is interpreted to occur along both north-south and northeast trending faults. (*Figure 5*)

Faults aligned northwest appear late, although some evidence suggests they played a role in the epithermal veining.

Figure 4 – Forster Geological Setting (overleaf)

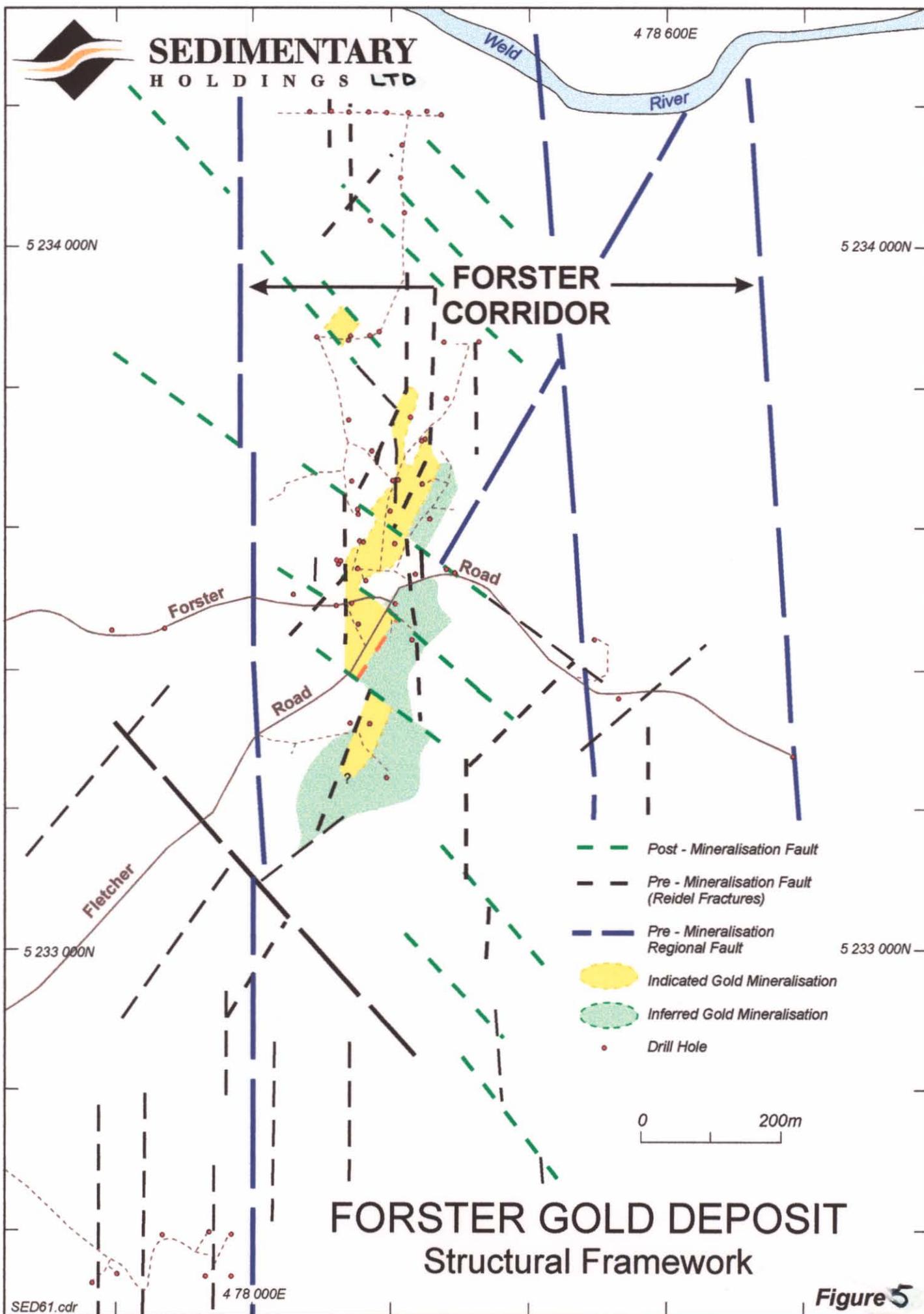
Figure 5 – Forster Gold Deposit Structural Framework (page 7)

Forster Geological Setting



-  Cover
-  Silica
-  Skarn
-  Limestone/Marble
-  Jurassic Intrusive
-  Shale/Siltstone
-  Mafic/Ultramafic
-  Dolomite
-  Quartzite
-  Fault - regional

Figure 4.



5 cm

**REVIEW OF PREVIOUS WORK****Identified Resources**

Earlier work has defined in-situ resources for gold, nickel and zinc based on detailed east-west cross sections, compiled from drilling data. The total Indicated Resource estimates are:

Gold:	1,000,156	tonnes @ 0.42g/t
Nickel:	251,093	tonnes @ 0.11%
Zinc:	221,406	tonnes @ 0.15%

which can be broken up into the following tables.

Table 1 – Preliminary Block Model Resource figures for gold at Forster.

Grade Range (gAu/t)	Tonnes	Grade (gAu/t)
<0.06	3,281	0.04
0.06 – 0.70	857,500	0.28
0.70 – 1.00	65,813	0.81
1.00 – 1.50	36,031	1.15
>1.50	37,531	2.30
TOTAL	1,000,156	0.42

Table 2 – Preliminary Block Model Resource figures for nickel at Forster.

Grade Range (ppm Ni)	Tonnes	Grade (% Ni)
<2.00	-	-
2.00 – 72.00	-	-
72.00 – 700.00	94,531	0.044
700.00 – 1800	125,156	0.119
>1800	31,406	0.261
TOTAL	251,093	0.11

Table 3 – Preliminary Block Model Resource figures for zinc at Forster.

Grade Range (ppm Zn)	Tonnes	Grade (% Zn)
<35.00	-	-
35.00 – 850.00	24,219	0.072
850.00 – 1700.00	136,719	0.115
>1700.00	60,469	0.27
TOTAL	221,406	0.152



Mineralisation and alteration studies

Gold mineralisation is present in siliceous breccias, quartz vein stockworks and illitic clays, and extends from thrust-stacked basement rocks to flat lying cover rocks.

The currently identified gold mineralisation at Forster lies within the N-S aligned Forster Corridor, along which hydrothermal fluid activity has induced extensive silicic and argillic alteration events. (*A1-A6 Figure 6*)

The paragenesis of mineralising events (*M1-M4, figure 6*) was interpreted. The gold mineralisation at Forster occurs in early Au-Zn-Pb-Ag-Cu-As calcareous skarn-hosted assemblages. This was followed by a Ni-Cu-Cr phase of mineralisation accompanying the formation of the late retrograde siliceous skarn. The latest and most significant phase of gold mineralisation involves Au-Ag-Hg-Sb epithermal mineralisation in silicic and argillic altered country rocks. Epithermal activity ceased with hot spring deposits.

Figure 6 – Forster paragenesis (overleaf)

Mineralisation Models

Shallow drilling of a small part of the Forster Corridor, has outlined pervasive low-grade gold mineralisation including an intersection of 11m@3.1gAu/t, and zones of zinc and nickel mineralisation exceeding 1%. This drilling, in conjunction with the multi-million ounce gold potential of the corridor, serves to emphasise the prospectivity of the project.

Research by the Special Research Centre for Ore Deposits and Exploration Studies division of the University of Tasmania (CODES) in conjunction with Sedimentary Holdings Ltd has concluded that the style of mineralisation at Forster is analogous with numerous world-class sediment-hosted gold deposits such as Bau, Pinson, Alsar, Mesel, Jerritt Canyon, Buffalo Valley and Ruby Hill/Archimedes. (*Figure 7*)

Evidence for the analogy is the skarn replacement by silica, the dominance of siliceous and argillic alteration and the Au-As association, ultra-fine grain size and a general stratabound character parallel to the unconformity at the base of the Permian sediments.

One of the stronger analogues with Forster is the +1 million ounce Archimedes gold deposit in the Battle Mountain-Eureka trend in Nevada, particularly in regard to the structural setting, host lithologies, and the styles of alteration and mineralisation. The current model in use for Forster is a close analogue to the Archimedes deposit.

Figure 7 – Gold potential and Global Models at Forster (page 11)

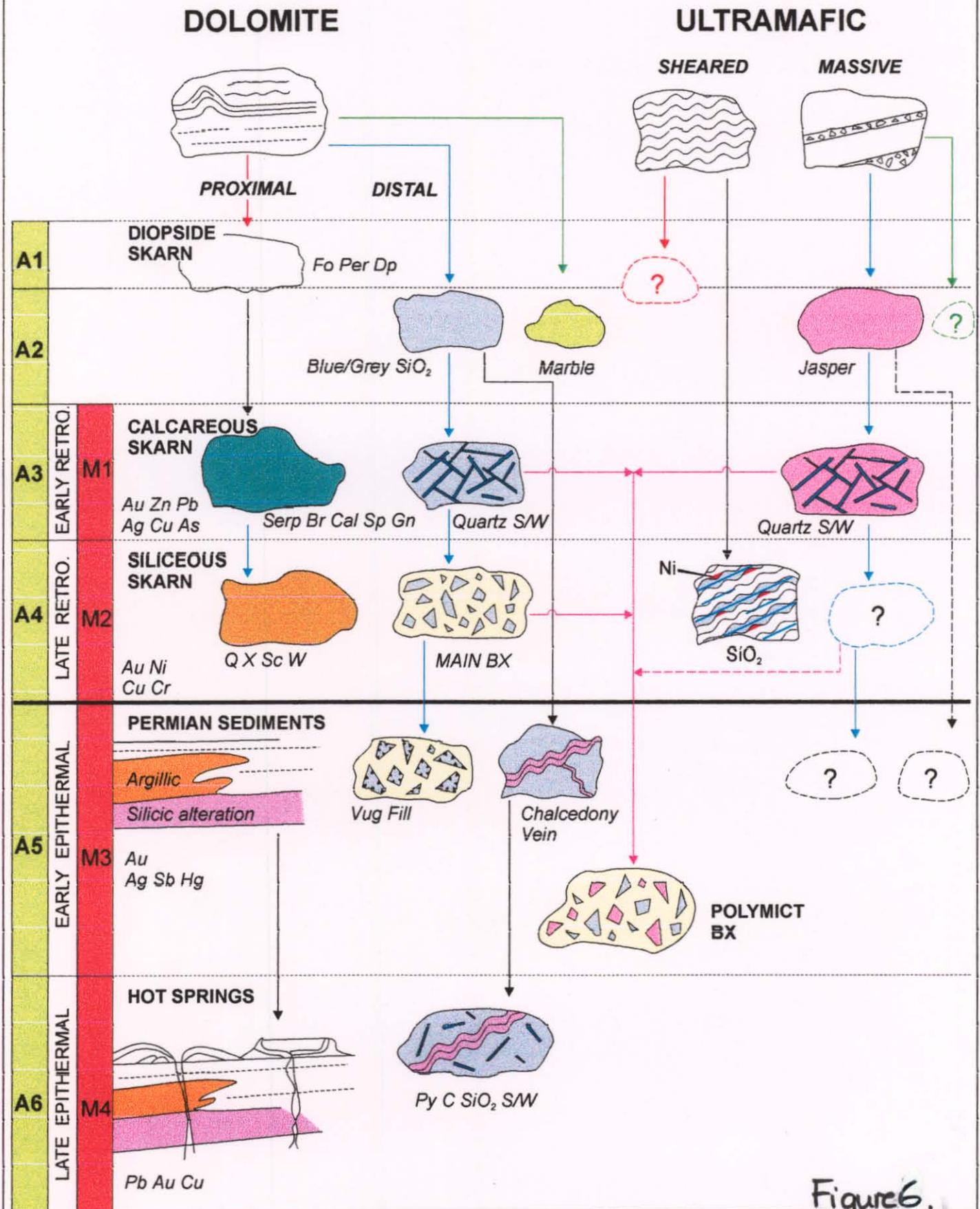
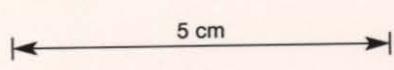


Figure 6.

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Forster Gold Potential at Forster and Global Models

May 1999

● **Sediment Hosted**

- AW Archimedes West
- Bo Borealis
- Ca Carlin
- G Getchell
- JC Jerritt Canyon
- M Marigold
- Ma Maoling
- Me Mesel
- Mr Mercur
- N Northumberland
- P Pinson

■ **Skarns**

- AE Archimedes East
- Be Beal
- Ba Bau
- BC Browns Creek
- C Cable
- F Fortitude
- H Hedley
- LL La Luz
- Mc McCoy Creek
- MT Minnie Tomboy
- RD Red Dome

◆ **Porphyry Copper Skarns**

- Bi Bisbee
- CF Carr Fork
- CC Copper Canyon
- E Ely
- Et Ertsberg
- OT Ok Tedi

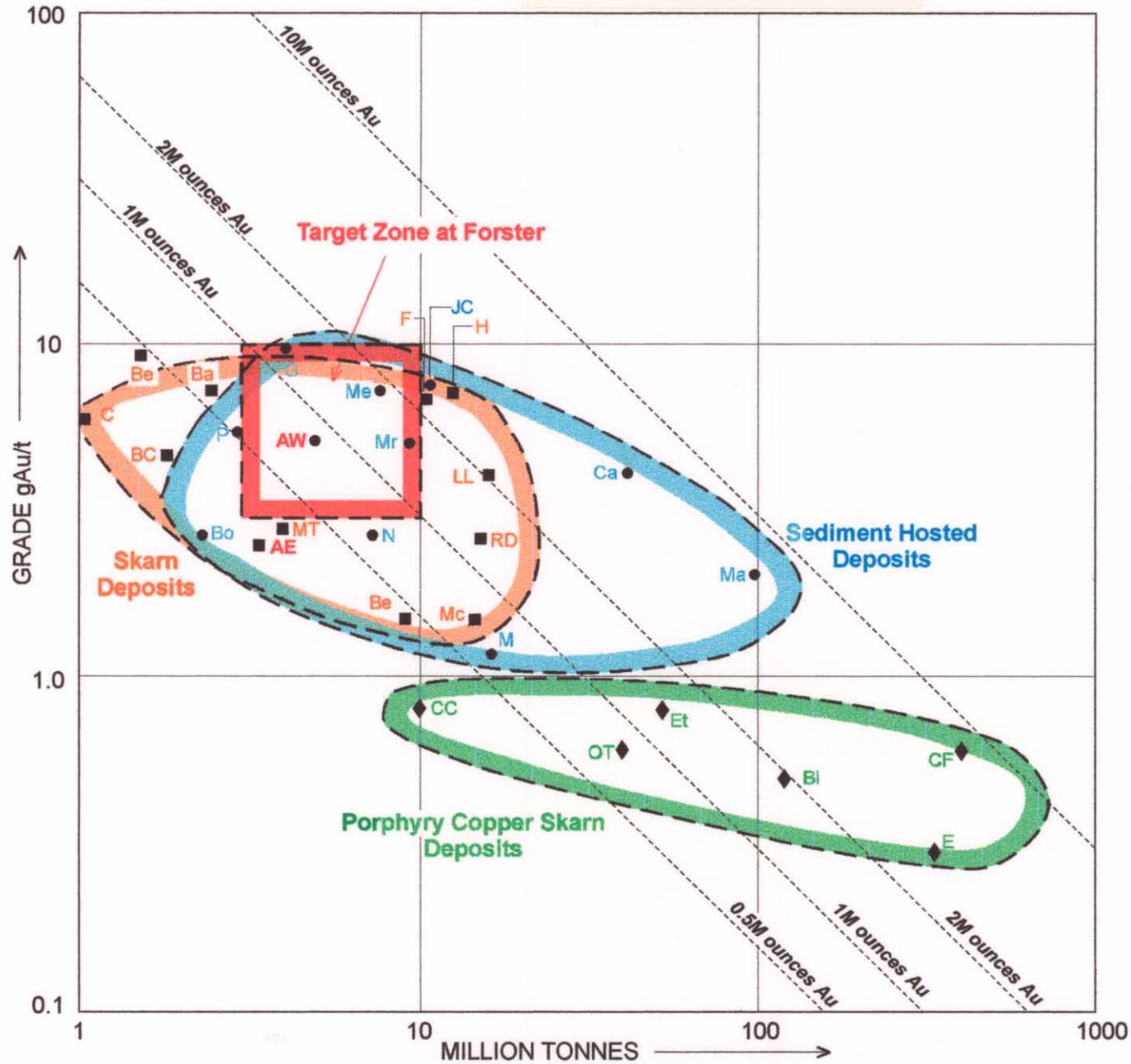


Figure 7



WORK COMPLETED DURING REPORTING PERIOD

Work undertaken during this reporting period included research by Sedimentary’s Geological Consultant – Summons Geoservices Pty Ltd who conducted a review of prior drilling results and defined significant base metal intercepts (*Table 4*). A review of the paragenesis of alteration and mineralisation at Forster Central and Forster South was also conducted. (*Table 5*) This follows on from earlier work as presented in *figure 5*.

Table 4 – Forster Central, Significant Base Metal Intercepts

Drill Hole	From (m)	To (m)	Interval (m)	Zn (%)	Zn Ratio	Ni (%)
FRC9	25	38	13			0.22
	40	44	4	0.21	97.4	
FRC10	14	16	2			0.22
FRC12	49	51	2	0.16	87.9	
	70	76	6	0.43	99.1	
FRC13	36	41	5			0.23
	58	59	1	0.21	83	
	61	62	1	0.37	99.3	
	66	67	1	0.23	99.4	
FRC16 <i>including</i>	44	48	4	0.28	97.2	
	44	60	16			0.23
	45	46	1			0.99
	56	60	4	0.19	98.4	
FRC18	36	38	2	0.17	98	
FRC19	93	99	6			0.23
FRC31	34	35	1	1.02	96.1	
FRC32	19	26	7			0.28
FRC36	31	32	1	0.21	94.2	
FRC37	47	64	17	0.26	94.3	
FRC40	29	35	6			0.22
	40	43	3	0.22	97.3	
FRC41	9	13	4			0.24
FRC42	41	42	1	0.26	92.9	0.65
	44	46	2	0.12	92.4	
FRC45	25	32	7	0.19	19.9*	
FRC52	57	67	10	0.26	82.5	
FRC53	31	38	7	0.19	92.9	
FRC54	21	22	1			0.33
	31	32	1			0.30
	43	46	3	0.18	97.6	
	55	61	6	0.21	95.8	
FRC55	17	20	3			0.20
	44	46	2	0.24	79.7	
FRC56	58	63	5	0.21	93.7	
	68	74	6	0.47	98.7	
<i>including</i>	71	72	1	1.14		
FRC58	15	17	2			0.20

Note: Zinc threshold = 850ppm, Nickel threshold = 1800ppm [inferred sulphides]
Zinc ratio = (100 x Zn)/(Zn+Pb)
* this drill hole adjacent to inferred late stage galena veining/dissemination



Table 5 – Forster Metalliferous Events

FORSTER CENTRAL				FORSTER SOUTH		CYGNET GOLDFIELD
Event (letters from figure 5)	Alteration	Product	Metals Added	Factor Analysis	Interpreted Event	Petrographic Association
?	?	?	?	Bi	early porphyry style Mo-Bi	
?	?	?	?	Pt Pd	decay of spinels	
?	?	?	?	Bi As	main porphyry style Mo-Bi	
?	?	?	?	Zn Au	Zinc-gold skarn	
A1 Prograde [thermal decarbonation of dolomite]	fo-per-dp	Diopside Skarn	?			porphyry Au- Cu-Mo
A3 M1 Early retrograde	serp-br-cal- sulphides	Calcareous Skarn	Zn Pb Ag Fe Cu As Au Cr	Pb Zn Ag	Base metal skarn	
A4 M2 Late retrograde	qtz-xon-sc- woll	Siliceous Skarn	Au Cu Ni Cr	Cu Co Ni Ag Pb Zn Au	Copper skarn Nickel skarn Auriferous base metal skarn	
A5 M3 High temp. epithermal	qtz-kaol- hall-celad- ill-smec- preh-laum	Silica - Clay	Au Cr	Au As	Epithermal gold	sediment- hosted Au
A6 M4 Low temp. epithermal	chal-opal	Sinter	Pb [Zn]			
NB 1 : Skarn terminology reflects field [convenience] groupings; in particular, the siliceous skarn may be a hybrid due to overprinting by the epithermal events						
NB 2 : Drilling only tested to average depth of 50 metres						
NB 3 : Factor analysis based on > 500 mobile ion results for Forster South						
NB 4 : Metals added based on relative changes in sub populations for various metals						
NB 5: Abbreviations used in the text are as follows: fo = magnesium olivine forsterite, per= periclase, dp = diopside serp = serpentine, br = brucite, cal = calcite, qtz = quartz, xon = xonotlite, sc = scawtite, woll = wollastonite kaol = kaolinite, hall = halloysite, celad = celadonite ill = illite, smec = smectite, preh = prehnite, laum = laumontite chal = chalcedony						



Other work conducted by the company during the reporting period was to prepare an information memorandum to introduce the Forster Project to potential joint venture partners in an effort to farm-out the project. An information memorandum was distributed to several companies for their review.

The Forster Project was presented at several Australian mining conferences including the Australian Gold Conference (April), Diggers and Dealers, (July) and Mining 2000 (September). Posters highlighting the Forster Project were drafted and displayed at these events along with a general company overview and details of other Sedimentary projects.

EXPENDITURE

Expenditure on the Forster Project for the annual period 30th September 1999 to 30th September 2000 is as follows:

Geology	\$11,950
Administration	\$2,722
Other (drafting)	\$328
	<hr/>
	\$15,000
	<hr/>

CONCLUSIONS

The Forster Project comprises two Exploration Licences and one Retention Licence totalling 247km².

The Forster Project is part of a new metallogenic district, located at the junction of crustal scale northwest and north-south trending fault zones.

The setting and style of mineralisation at Forster is analogous to multi-million ounce gold deposits currently being mined around the world, including western USA. Modelling of the Forster Project is based on these analogies.

Exploration by Sedimentary has located a large gold and base metal complex with considerable untested potential both along strike and at depth.

Work conducted during this reporting period includes a review of prior drilling programs detailing significant base metal intercepts and investigating the paragenesis of alteration and mineralisation at Forster Central and Forster South. An information memorandum was distributed to several companies for their review and consideration to participation in a joint venture. The Forster Project was displayed as one of Sedimentary's projects at several mining conferences during the year.

Further work needs to be undertaken to refine geological models and delineate future targets.