



SEDIMENTARY HOLDINGS LTD

**RL3/1998,
WELD RIVER PROJECT,
ANNUAL TECHNICAL REPORT
FOR THE PERIOD
4 September 2004 to 4 September 2005**

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DIGITAL REPORTING

A digital copy of this report has been submitted to Mineral Resources Tasmania. The files comprising this report are:

RL031998_200509_01_report.pdf

KEYWORDS

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

GEODETIC DATUM

All maps, plans and sections in this report refer to the geodetic datum AGD66



INTRODUCTION

This report comprises activities undertaken on RL3/1998 for the period 4 September 2004 to 4 September 2005.

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 (now renamed the Weld River Project to avoid confusion with Sedimentary's Foster Project, Victoria) hosts an unusual mineral assemblage with no classic type example on which to base ongoing exploration or to assess its potential. The association of ultramafic conglomerates, highly altered sediments and a mixture of skarns types along with gold and nickel sulphide mineralisation makes this an interesting exploration play.

Location, Land Status and Tenure

The Weld River Project is located in southern Tasmania, 50 km west of Hobart and 22 km northwest of Geeveston. (Figure 1 and 2) Sedimentary owns 100% interest in Retention Licence RL3/1998 and Exploration Licence EL15/2002, totalling 17km².

The land status is State Forest/Multiple Use Forest Land, managed by Forestry Tasmania.

Figure 1 – Weld River (Forster) Project Location

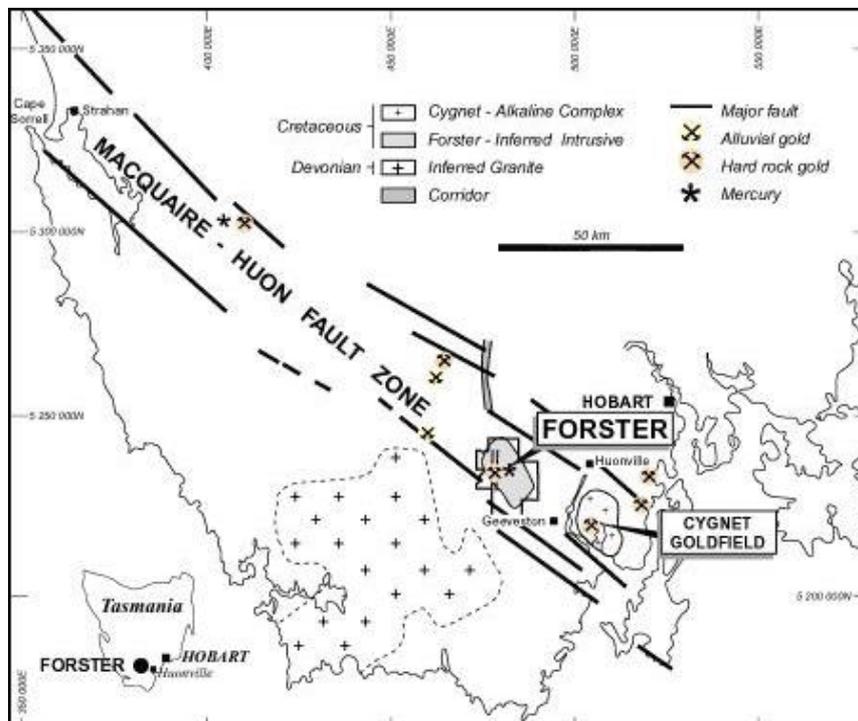
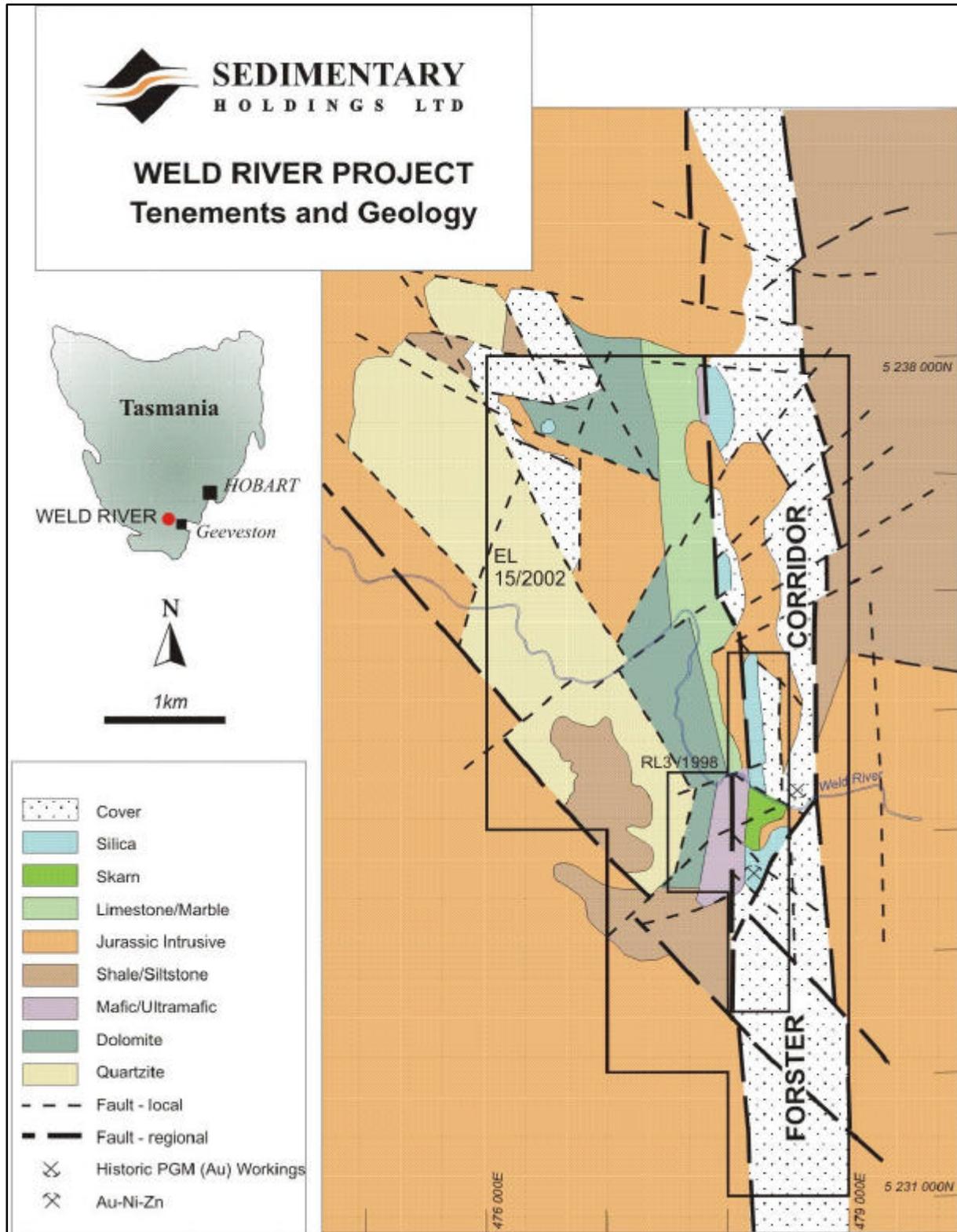




Figure 2 – Weld River Project Tenements and Geology





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.

Jurassic aged dolerite sills comprise local igneous intrusives. 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 Weld River Project area.

REGIONAL STRUCTURE

The structural setting around Weld River is complex, with the project located at the junction of the prominent MacQuarie-Huon Fault Zone (30km wide and 230km long) and a north trending fault zone known as the Forster Corridor (Figure 2).

LOCAL STRUCTURE

Local structures in the area are aligned north south, northeast and northwest. 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 Weld River is interpreted to occur along both north south and northeast trending faults.

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

**PREVIOUS WORK COMPLETED****Drilling**

In 2003/04, a drilling program was undertaken in the area. This consisted of a north-south fence of 8 RC holes (total 350m) drilled at -55 degrees, all on a continuous north-south traverse over a 50m east-west corridor. Collar locations are summarised below.

Table 1 – 2003/04 Drilling Summary – collar locations

HOLE	NORTH	EAST	RL	DEPTH	DIP	AZ (AMG)
FRC-61	5233423	478151	125	50	-55	180
FRC-62	5233421	478144	125	50	-55	360
FRC-63	5233570	478204	119	50	-55	180
FRC-64	5233544	478107	108	34	-55	180
FRC-65	5233472	478196	123	50	-55	180
FRC-66	5233474	478190	123	34	-55	360
FRC-67	5233487	478191	123	30	-55	360
FRC-68	5233499	478188	123	52	-55	360
				350m		

The best drill results (intersections containing over 1 g/t gold) are shown below:

Hole	From	To	g/t Au
FRC-61	34	38	3.05
FRC-66	26	28	1.30
FRC-67	26	30	2.03
FRC-68	34	46	2.30



WORK COMPLETED DURING THE 2004-05 REPORTING PERIOD

During December 2004, a proposal was put forward to complete a soil and rock chip sampling program to search for gold anomalies on the northern, untested end of the alteration system. This program was undertaken on the surrounding tenement EL15/2002. Results from the program have and will be used to develop geological interpretations of this tenement, and therefore will be briefly discussed below.

Geochemistry

In late 2004, a work program was approved to explore by detailed soil sampling, rock chip sampling and stream concentrate sampling the northern most inlier of proterozoic skarns between 5237000mN and 5238000mN, an area not previously covered by sampling or drilling.

In October 2004, a reconnaissance rock chip and soil survey was conducted around the known outcrop at the northern end of the Weld River alteration system. Twenty rock chip samples of outcrop and 54 B/C horizon soil samples from around the sloping flanks of the outcrop ridge were taken.

Results of the soil survey were received from the northern end of the property. There were no anomalous rock chip samples however a significant soil anomaly ranging up to 655 ppb, was located on the southern end of the ridge. Results from this program were reported in the annual technical report for EL15/2002 for the period 10 January 2004 to 10 January 2005.

Infill sampling was undertaken and further confirmed areas of anomalous gold values. Zones of anomalism total approximately 700 metres in length in four zones. This area has not previously been easily accessible however recent logging activity has greatly improved access.

Results of the second soil survey were received in January 2005. The results of this survey confirmed the first survey and identified four zones worthy of drilling.

Geological modelling

Following these programs, thoughts were given as to geological setting and future work programs to determine the nature and host for this mineralisation.

The form of the Jurassic dolerite outcropping along the southwestern contact with the alteration suggests a flat lying dolerite floor to the system, but the possibility of the gold being a surface expression of upward leakage from a structural conduit through the dolerite has not been tested. Gravity-magnetics modelling of the dolerite so far has been unreliable, due to the overprinting effects of the ultramafic conglomerates and schists juxtaposed against the mineralisation. There may be more potential to resolve the dolerite form on the northern prospect where ultramafics are not known and the basalts are distal from the highest gold in soil results.



A ground magnetics survey on a 50 metre x 50 metre grid line spacing is recommended. Because of the forest cover, GPS survey control is patchy over the prospect, so a cut and surveyed grid may be necessary to achieve location accuracy. A survey grid over an area of 900 metres north-south by 400 metres east –west could be established for the magnetics, and also possibly a more detailed soil survey, to define a deep drill target.

An issue related to planning future work is the logging operation in the Weld River valley, which is moving towards the prospect area from the southeast. This will result in closer road access to the prospect in the near future but when logging starts it will make access for exploration activities difficult.

FUTURE WORK PROGRAM

The future work program is to decide on next steps for the advancement of this project. The Company has significant information on the mineralisation at the southern end of the prospect, however a model to test for a vertical high-grade feeder is needed to provide additional targets in the northern area.

A geological consultant has been engaged to assist with this, plus provide a review of the Company's data package which could be distributed to interested parties for the purpose of a farm-in arrangement and to assist with exploration funding.

Following this, it is likely that additional field work and/or a drill program will be required.

2004/05 EXPENDITURE

Expenditure for RL3/1998 for the annual period 4 September 2004 to 31 July 2005 was:

	\$
Geology	3,239.88
Geochemistry	754.20
Administration	228.00
	<hr/> 4,222.08 <hr/>