TANTALUM
AUSTRALIA NL

20 February 2006

The Announcements Office
Australian Stock Exchange Ltd
Level 3, 20 Bridge Street
SYDNEY NSW 2000

By ASX Online Transmission

Dear Sir,

Please find attached ASX/Media release regarding Erayinia JV – Drilling Update, Significant base Metal Mineralisation.

Yours faithfully

Timothy King
Company Secretary

13 Mumford Place, Balcatta, WA, 6021 ph: +61 8 6241 1888 fax: +61 8 6241 1811
Website: www.tantalumaustralia.com Email: admin@tantalumaustralia.com
ACN 009 127 020 ABN 58 009 127 020

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20 February 2006 ASX Code: TAA

ASX ANNOUNCEMENT/MEDIA RELEASE

DRILLING PROGRAM COMMMENCES AT E1 BASE METAL DISCOVERY ERAYINIA PROJECT - (TAA EARNING 80%)

Tantalum Australia NL (TAA) is pleased to announce that it has commenced a 1000m RC drilling program at the E1 target within the Erayinia JV with Great Gold Mines NL. The drill holes targeted will be aimed at testing the down dip extensions (100 – 150 metres depth) of massive sulphides intersected by previous drilling and to extend coverage along strike to the North.

The Erayinia project area is located approximately 130 km south east of Kalgoorlie and covers an area of 275km^2 within the poorly outcropping Erayinia greenstone belt at the extreme south east of the Yilgarn Block – adjacent to the Albany-Fraser tectonic zone. TAA is targeting Archaean volcanic-hosted massive base metal sulphide (VMS) deposits. The RC drill program is expected to be completed by the end of the week.

BACKGROUND

The following is the summary of previous exploration as announced 7 April 2005 and 29 September 2005.

Previous exploration work completed in the early 1990s included soil/bedrock geochemistry, air/ground magnetic surveys, ground EM and limited RC drilling. The magnetometry identified a 35 kilometres long and 0.5 to 1.0 kilometres wide north striking sequence of metamorphosed sediments, mafic and felsic volcanic rocks thought to be prospective for VMS.

Soil and bedrock geochemistry defined a 2200 metres long and 200 metres wide zinc and copper RAB geochemical anomaly hosted by felsic volcanics thought to represent a footwall alteration zone. The zinc anomaly has a peak value of 3600ppm (0.36%) and the parallel copper anomaly to the east has a peak value of 2950ppm (0.29%). In addition a banded chert unit located to the west of the anomaly returned zinc and lead values up to 0.49% and 0.34% respectively.

Ground EM over an area of I.0 by 0.8 kilometres outlined a significant transient electromagnetic (TEM) anomaly (E1 – refer Plan 2 attached) between 100 and 150 metres depth caused by an excellent conductor with a strike length of 200 metres. To the south and continuous with this conductor there is evidence of a less conductive and perhaps deeper section that extends the strike length of the TEM anomaly to 400m. E1 is interpreted to be situated stratigraphically above the footwall alteration and below the anomalous chert unit.

Six magnetic anomalies over 5 kilometres of strike north of E1 remain to be tested by EM and drilling with further magnetometry required to provide data along strike to the north and south (refer Plan2).

Subsequent limited RC drilling testing (4 holes) by a previous explorer only partially tested the up dip extension above the E1 target in unweathered rocks (40 metres vertical depth – refer attached cross section) and returned **massive sulphides** (50 to 80%) in ERC 8 including sphalerite and pyrrhotite with very encouraging zinc results including:

4 metres of 1.34 % Zn, 0.16% Pb and 26 ppm Ag
1 metre of 2.65% Zn, 0.20% Pb and 48 ppm Ag
4 metres of 0.54%Zn,

Follow up RC drilling by TAA in September 2005 resulted in four drill holes at the northern end of the E1 target intersecting massive sulphides along 200 metres of strike (open to the north and south) with best intercepts:

ERC 14 7 metres of 4.38 % Zn, 0.28% Pb and 31 ppm Ag
Incl. 1 metre of 8.40% Zn, 0.86% Pb, 93 g/t Ag and 0.16 g/t Au

ERC 17 3 metres of 2.19 % Zn, 0.27% Pb and 18.7 ppm Ag

ERC 21 4 metres of 1.75 % Zn, 0.12% Pb and 18.8 ppm Ag

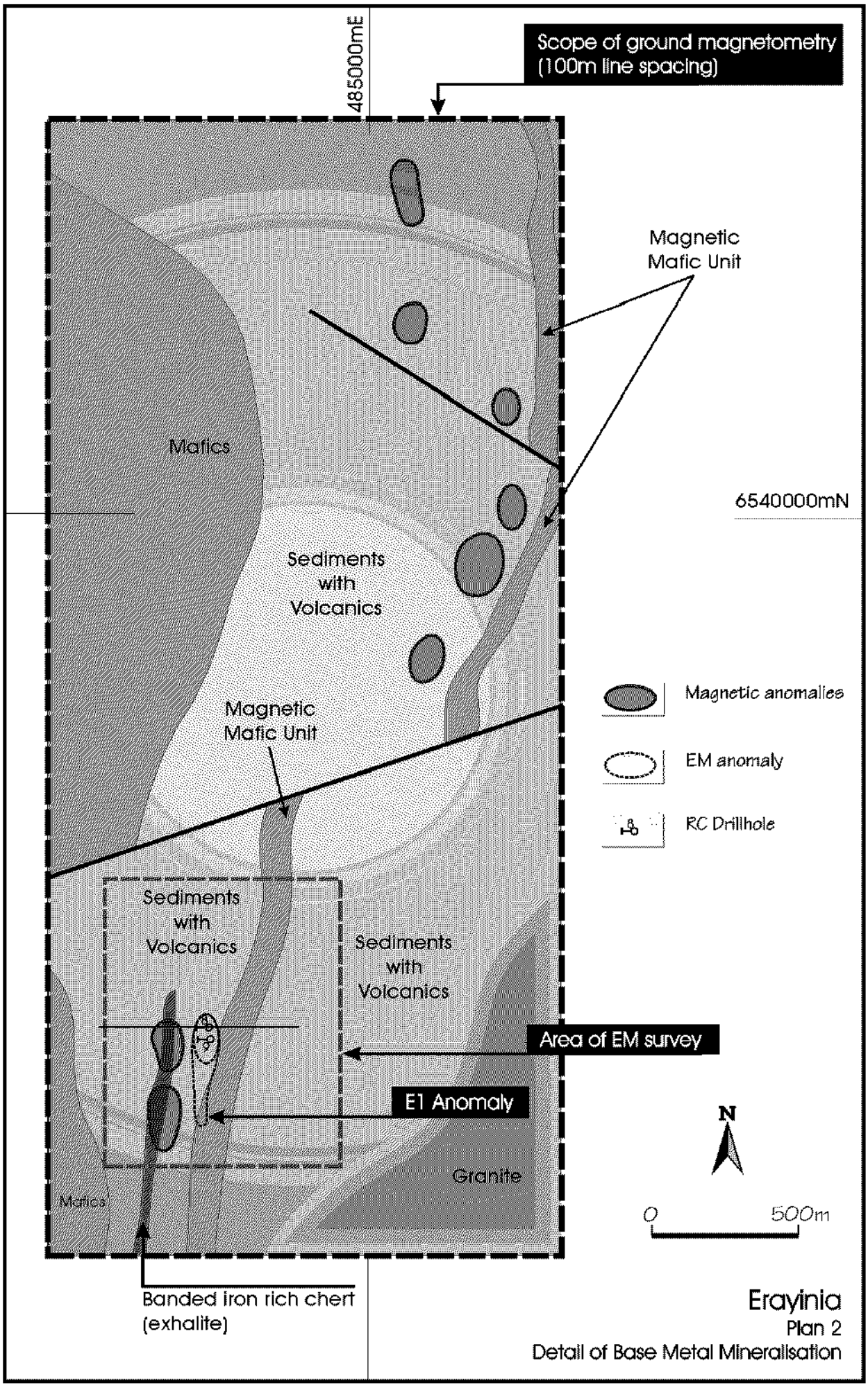
ERC 23 1 metre of 1.24% Cu,1.11% Zn, 0.13%Pb, 29 g/t Ag and 1.65 g/t Au

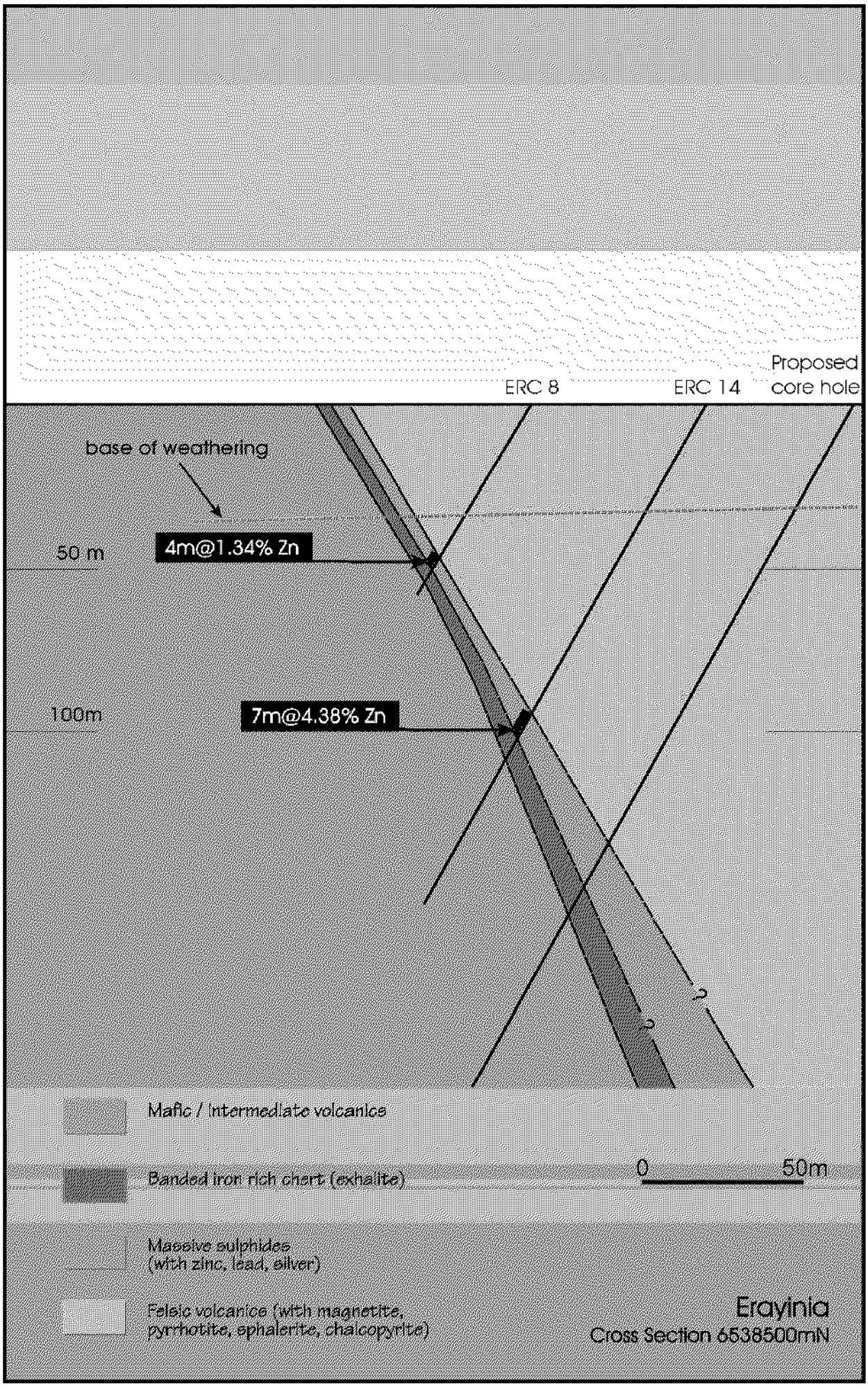
The sulphides are considered to be of hydrothermal origin and contain traces of lead, copper, indium, tin, antimony and selenium, among other elements, producing a suite similar to other Archaean VMS deposits. There is alteration (sericitic-chloritic) of the country rock adjacent to the sulphidic zone including fine grained lithic fragments (lapilli). These characteristics are indicative of a mineralised VMS hydrothermal system. The RC program was abandoned after the drill rig failed to reach target depth and was unable to drill deeper than 70 metres down hole. The results were not followed up.

There are some geological and geochemical similarities with the Golden Grove (Scuddles-Gossan Hill deposits) in the Murchison District and Teutonic Bore in the Eastern Goldfields, Western Australia. Trace element analysis of the massive sulphides at Erayinia displayed a signature similar to Golden Grove. It is considered that the Erayinia project represents an excellent brown-fields base metal exploration target.

For more information contact:

Imants Kins
Managing Director
Tantalum Australia NL
Tel: 61 8 62411806
Mobile: 0438 359705


485000mE
Scope of ground magnetometry
(100m line spacing)
Magnetic
Mafic Unit
Mafics
6540000mN
Sediments
with
Volcanics
Magnetic
Mafic Unit
Magnetic anomalies
EM anomaly
RC Drillhole
Sediments
with
Volcanics
Sediments
with
Volcanics
Area of EM survey
E1 Anomaly
N
Granite
Mafics
0
500m
Banded iron rich chert
(exhalite)
Erayinia
Plan 2
Detail of Base Metal Mineralisation


ERC 8
ERC 14
Proposed core hole
base of weathering
50 m
4m@1.34% Zn
100m
7m@4.38% Zn
Mafic / intermediate volcanics
Banded iron rich chert (exhalite)
Massive sulphides (with zinc, lead, silver)
Felsic volcanics (with magnetite, pyrrhotite, sphalerite, chalcopyrite)
0
50m
Erayinia
Cross Section 6538500mN