

IMPORTANT NOTICE

This Prospectus is dated 4 November 2003 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is 4 December 2004 at 5.00pm WST (**Expiry Date**). No securities may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that Rare Resources Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The securities the subject of this Prospectus should be considered speculative.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus is not available in electronic form.

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1. CORPORATE DIRECTORY

Directors

Timothy King (Chairman)
Michael Fotios
David Reynolds
Aryati Sasya Ahmad Sebi

Company Secretary

Peter Farrah

Australian Business Number

58 009 127 020

Registered and Principal Office

13 Mumford Place
BALCATTA WA 6021

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Facsimile: (08) 6241 1811

E-mail:

admin@tantalumaustralia.com

Website

www.tantalumaustralia.com

Solicitors to the Offer

Steinepreis Paganin
Lawyers & Consultants
Level 14, Chancery House
37 St Georges Terrace, Perth
WESTERN AUSTRALIA 6000

2. INVESTMENT OVERVIEW

2.1 Important Notice

This section is not intended to provide full information for Rare Resources Shareholders intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

2.2 Summary of the Offer

TAO has entered into the Rare Resources Share Sale Agreement to acquire all of the issued capital of Rare Resources. Pursuant to this Prospectus, the Company is offering one (1) Share for every three (3) Rare Resources Shares in accordance with the Rare Resources Share Sale Agreement, further details of which are set out in Section 7 of this Prospectus.

Set out below is a summary of the proposed impact of the issue of Shares to Rare Resources Shareholders on the capital of the Company.

Existing Shares	220,495,378
Number of Shares offered	2,996,662
Number of Shares on issue following Offer	223,492,040

2.3 Indicative Timetable

Opening Date	4 November 2003
Closing Date (5:00pm WST)	6 November 2003
Expected date for listing on ASX	11 November 2003

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

2.4 Objective

The Company's objective is for the expansion of TAO through its acquisition of Rare Resources, (which includes the Projects), and for TAO to undertake further exploration and development of the Projects. Following the completion of the Offer, TAO will have acquired all the issued capital of Rare Resources.

2.5 Use of Proceeds

No funds will be raised under this Offer.

3. DETAILS OF THE OFFER

3.1 The Offer

By this Prospectus, the Company makes an offer to all Rare Resources Shareholders for TAO to acquire their Rare Resources Shares for a total of 2,996,662 Shares on the basis of one (1) Share for every three (3) Rare Resources Shares held. The full terms of the Offer are set out in Section 10. Full details of the Rare Resources Share Sale Agreement are set out in Section 7 of this Prospectus.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Subject to the satisfaction or waiver of the conditions precedent to the Offer, the allotment of Shares will take place on settlement of the Rare Resources Share Sale Agreement. The terms of the Share Sale Agreement provide that settlement is to occur five (5) business days after the satisfaction of the last of the conditions in the Rare Resources Share Sale Agreement, or such other date as is agreed between the parties. The parties have agreed that settlement shall occur as soon as is practicable after all of the Rare Resources Shareholders accept the Offer.

3.2 Conditionality of Offer

Rare Resources Shareholders must be aware that the Offer is conditional on the satisfaction or waiver of all of the conditions precedent to the Rare Resources Share Sale Agreement in accordance with its terms. The outstanding conditions precedent consist of the following:

- (a) Rare Resources having fewer than 50 shareholders as at the Execution Date and throughout the period to Settlement Date; and
- (b) all of the Rare Resources Shareholders accept this Offer.

If this condition is not satisfied or waived by TAO on or before the latest date for the satisfaction or waiver of the conditions precedent to the Rare Resources Share Sale Agreement (being on or about 23 October 2003), then all contracts resulting from the acceptance of the Offer are void and the acquisition of Rare Resources will not proceed. However, TAO has agreed with Rare Resources that TAO will proceed to purchase the Projects from Rare Resources on terms substantially similar to the terms of the Rare Resources Share Sale Agreement.

3.3 Application for Shares

Only Rare Resources Shareholders may accept the Offer. Accordingly do not complete the Acceptance Form unless you are a shareholder of Rare Resources. The Acceptance Form accompanies this Prospectus and is headed "Acceptance Form".

A Rare Resources Shareholder may only accept the Offer in respect of 100% of the Rare Resources Shares held by that shareholder.

To accept the Offer, the Acceptance Form must be completed in accordance with the instructions accompanying it and delivered to:

Tantalum Australia NL
13 Mumford Place
BALCATTWA WA 6021

3.4 ASX Listing

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all applications will be dealt with in accordance with the Corporations Act.

3.5 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify these Shares or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Acceptance Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

3.6 CHES

The Company will apply to participate in the Clearing House Electronic Subregister System (CHES). CHES is operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the SCH Business Rules.

Under CHES, the Company will not issue certificates to investors. Instead, new Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHES statement.

3.7 Risk Factors

Rare Resources Shareholders should be aware that subscribing for securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 6 of this Prospectus and investors are urged to consider those risks

carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

4.10 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

As noted elsewhere in this Prospectus, the purpose of the Offer is to provide consideration for the acquisition of Rare Resources, including the Projects, by TAO, pursuant to the Rare Share Sale Agreement.

4.2 Effect of the Offer and Pro Forma Statement of the financial position

The principal effect of the Offer will be to increase the number of Shares on issue from 220,495,378 Shares as at the date of this Prospectus to 223,492,040 Shares, assuming all Rare Resources Shareholders accept the Offer.

Set out below is:

- (a) an audited statement of financial position of the Company as at 30 June 2003, extracted from the Company's audited financial statements for the year ended 30 June 2003; and
- (b) an unaudited pro forma statement of financial position as at 30 June 2003 incorporating the effect of the Offer.

	Audited Statement of Financial Position as at 30 June 2003	Acquisition of Rare Resources NL	Adjustments and assumptions	Pro Forma Unaudited Statement of Financial Position as at 30 June 2003
	\$	\$		\$
Current Assets				
Cash	304,430	(8,472)	(562,082)	(266,124)
Receivables	452,954			452,954
Other financial assets	-			-
Inventories	17,392			17,392
Other	406,584			406,584
Total Current Assets	<u>1,181,360</u>	<u>-</u>	<u>(562,082)</u>	<u>619,806</u>
Non-Current Assets				
Receivables	631,253			631,253
Property Plant & Equipment	2,534,127		241,367	2,775,494
Investments		344,617		344,617
Mineral Interests	2,537,558		135,348	2,672,906
Other	338,633			338,633
Total Non-Current Assets	<u>6,041,571</u>	<u>-</u>	<u>376,715</u>	<u>6,762,906</u>
Total Assets	<u>7,222,931</u>	<u>-</u>	<u>(185,367)</u>	<u>7,373,709</u>
Current Liabilities				
Accounts Payable	1,584,761			1,584,761
Interest-bearing liabilities	384,554			384,554
Provisions	182,403			182,403
Total Current Liabilities	<u>2,151,718</u>			<u>2,151,718</u>
Non Current Liabilities				
Interest-bearing liabilities	-			-
Provisions	657,982			657,982
Total Non Current Liabilities	<u>657,982</u>			<u>657,982</u>
Total Liabilities	<u>2,809,710</u>			<u>2,809,710</u>
Net Assets	<u>4,413,221</u>	<u>-</u>	<u>(185,367)</u>	<u>4,563,939</u>
Equity				
Issued Capital	38,556,701	336,145		38,892,846
Reserves				-
Accumulated Losses	(34,143,480)		(185,367)	(34,328,847)
Total Equity	<u>4,413,221</u>	<u>-</u>	<u>(185,367)</u>	<u>4,563,939</u>

Other Adjustments to Pro-Forma

1 Valuing shares issued to Rare Resources Shareholders at 11.5 cents	2,996,669	344,617
2 Estimated costs of the issue being \$8,472 and expensed against contributed equity.		
3 Accounting for losses made during the months of July & August of \$185,367 for administration and \$135,348 of exploration costs and \$241,367 capital costs at Gascoyne Project.		(562,082)

5. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

5.3 Dividend Rights

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

5.4 Winding-Up

under a winding up and if there are assets available for distribution to Shareholders those assets will be distributed to shareholders in accordance with the terms of the shares so that the greatest extent possible in relation to each class of shares, the amount distributed to those shareholders holding shares of that class is distributed in proportion to the number of shares of that class held by each of those shareholders without regard to the amounts paid upon those shares, except that a shareholder who is not entitled to share in that distribution until the amount owing in respect of the call has been fully paid and satisfied.

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders, but so no shareholder must accept any shares or other property in respect of which there is any liability. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks appropriate.

5.5 Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

5.6 Future Increase in Capital

Shareholders in general meeting may from time to time increase the Company's authorised share capital. The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act, the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.7 Variation of Rights

Under the Constitution the Company may vary or abrogate any class of shares with either:

- (a) the consent in writing of the holders of 75% of the issued shares of that class; or
- (b) the sanction of a special resolution at a separate meeting of the holders of that class.

6. RISK FACTORS

6.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Status of the Company's Business

The Company is subject to all the usual risks encountered by evolving organisations including:

- capital adequacy;
- cash flow;
- continuing market penetration and market growth;
- product development; and
- continuity of personnel.

6.3 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

6.4 Share Market Conditions

There are general risks associated with any investment in the stock market. The price of the Shares quoted on ASX will be subject to varied and often unpredictable influences on the market for equities in general.

6.5 Regulatory Environment

The Company's business activities are not subject to any industry specific or unusual company regulations or laws. However, this does not preclude the possibility of legislation being passed in the future which may adversely affect the operations of the Company.

6.6 Introducing New Businesses and Consumer Services

The Company may, from time to time, introduce new and expanded services, acquire more businesses or expand its capital generally in order to generate

additional revenues, attract more consumers and respond to competition. There can be no guarantee that these new businesses will eventuate or be successful.

6.7 Reliance on Key Personnel

The Company's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. The Company has in place service contracts with select employees and provides attractive employment conditions to assist in the retention of key personnel.

6.8 Exploration & Production Risks

Exploration and production may be hampered by mining, heritage and environmental legislation, industrial disputes, cost overruns, land claims and compensation, and other unforeseen contingencies. The success of the Company also depends on the delineation of economically mineable reserves, access to required development capital, movement in the price of commodities, securing and maintaining title to its exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration and production activities.

Exploration and production on the Company's existing exploration and mining tenements may be unsuccessful or minable resources may become depleted, resulting in a reduction of the value of those tenements, diminution in the cash flow and cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

Weather conditions over a prolonged period can adversely effect exploration, production, mining and drilling operations and the timing of earning revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades, and commodity prices affect successful project development, as does the design and construction of efficient processing facilities, competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants.

6.9 Research & Development Risks

The Company is undertaking a research and development project with Boston University. The Company will be obliged to meet certain research and development costs during the life of the project which is to investigate and develop a new downstream process for metal extraction. The process has not previously been explored. The risk of failing to perfect such a process is considered as high and there is no guarantee that the research will result in developing commercially viable technology.

6.10 Environmental Risks

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

6.11 Native Title

The effect of the present laws in respect of native title that apply in Australia is that mining tenement applications and existing tenements may be affected by native title claims or procedures. This may preclude or delay granting of exploration and mining tenements and considerable expenses may be incurred negotiating and resolving issues. The presence of Aboriginal sacred sites on tenements held by the Company or its subsidiaries may limit or preclude exploration or mining activity within the sphere of influence of those sites and delays and expenses may be experienced in obtaining clearances.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a prospectus for “continuously quoted securities”. In general terms prospectuses for “continuously quoted securities” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the Annual Report of the Company most recently lodged with the ASIC;
 - (ii) any half yearly financial report lodged with the ASIC by the body after lodgement of the Annual Report and before the lodgement of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company during that period in accordance with the Listing Rules of ASX as referred to in section 674 of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with the ASX since the date of lodgement of the 2003 Annual Report refer to the table set out below.

The Company has lodged the following announcements with ASX since the lodgment of the 2003 Annual Report:

Date	Description of Announcement
28/10/2003	Annual Report
29/10/2003	Relief under sub-section 315(1)
31/10/2003	Results of Meeting
31/10/2003	First Quarter Activities and Cashflow Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Material Contracts

In the opinion of Directors the only contracts entered into by the Company which are or may be material in terms of this Prospectus or the operation of the business of the Company are the contracts summarised below.

Rare Resources Share Sale Agreement

On or about 23 October 2003, TAO entered into a share sale agreement with Rare Resources and the Covenantors pursuant to which the Company agreed to make an offer to purchase all of the issued capital in Rare Resources and the Covenantors agreed to:

- (a) accept the offer in respect of the Rare Resources Shares held respectively by them; and
- (b) use their best endeavours to procure that the remaining Rare Resources Shareholders accept the offer in respect of their Rare Resources Shares.

The consideration payable by TAO for the acquisition of all of the Rare Resources Shares is 2,996,662 Shares on the basis of one (1) Share for every three (3) Rare Resources Shares held by a Rare Resources Shareholder.

The Rare Resources Share Sale Agreement is subject to a number of conditions precedent. As at the date of this Prospectus, the following conditions remain unsatisfied:

- (a) Rare Resources having fewer than 50 shareholders as at the Execution Date and throughout the period to Settlement Date; and
- (b) all of the Rare Resources Shareholders accepting the Offer.

These conditions must be satisfied by the date that is no later than 30 days from the date of execution of the Rare Resources Share Sale Agreement or such later date as agreed between the parties (**Satisfaction Date**).

Each of the parties agree under the Rare Resources Share Sale Agreement to use their best endeavours to ensure that the conditions are satisfied, including the preparation of all necessary documentation.

If all of the Vendors do not accept the Offer by the Satisfaction Date Rare Resources must sell the Projects to TAO for the same consideration and on substantially similar terms to the Rare Resources Share Sale Agreement.

Settlement under the Rare Resources Share Sale Agreement is due to occur five (5) business days after the satisfaction or waiver of the last of the conditions precedent unless otherwise agreed by the parties. The parties have agreed that settlement shall occur as soon as is practicable after all of the Rare Resources Shareholders accept the Offer.

At settlement of the Rare Resources Share Sale Agreement, TAO may require the appointment of nominees to the board of Rare Resources. Rare Resources may also require the appointment of additional directors to the Company.

The Rare Resources Share Sale Agreement otherwise contains clauses which are standard in an agreement of this nature, including, without limitation representations and warranties made by Rare Resources and the Covenantors.

7.3 Disclosure of Interests

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in securities as set out in the table below:

Director	No. of Shares	No. of Options
Timothy King	3,206,868	500,000
Michael Fotios	8,014,277	1,000,000
David Reynolds	-	-
Sasya Serbi	-	-

The Options referred to above are exercisable by 31 March 2004 at 20 cents each.

7.4 Remuneration

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. In the last two years, \$115,000 (including GST where applicable) in 2002 and \$126,510 in 2003 has been paid by the Company by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.5 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) director of the Company,

has, or had within 2 years before lodgment of this Prospectus with ASIC, any interest in;

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or
- (c) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Steinepreis Paganin act as solicitors to the Offer. Steinepreis Paganin will be paid approximately \$3,000 for services in relation to this Prospectus. In the last 2 years, Steinepreis Paganin has been paid fees of approximately \$7,630 for services to the Company.

Stanton Partners have acted as auditors to the Company. Stanton Partners will not receive any fees for services in relation to this Prospectus. In the last 2 years, Stanton Partners has been paid fees of approximately \$54,839 for services to the Company. Stanton Partners propose to resign as auditors to the Company subject to compliance with the Corporations Act and the appointment of new auditors to the Company. The resignation is expected to become effective at the Company's forthcoming annual general meeting.

7.6 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Stanton Partners has given its written consent to the inclusion of the audited statement of financial position of the Company contained in section 4.2 of this Prospectus in the form and context in which that statement is included. Stanton Partners has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

7.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 13.5 cents per fully paid Share on 21 October 2003

Lowest: 8 cents per fully paid Share on 6 and 7 August 2003

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 11 cents per Share on 4 November 2003.

7.8 Expenses of the Offer

The estimated expenses of the Offer are as follows:

ASIC Lodgement Fee	\$2,010
Listing Fees	\$2,472
Legal fees	\$3,000
Printing and Mailing	\$990
TOTAL	\$8,472

7.9 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.

Michael Fotios
For and on behalf of
Tantalum Australia NL

9. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

Acceptance Form means the acceptance form attached to this Prospectus.

ASIC means Australian Securities & Investments Commission.

ASX means Australian Stock Exchange Limited.

Board means the board of Directors as constituted from time to time.

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Closing Date means the closing date for receipt of Acceptance Forms under this Prospectus, being 5.00pm (WST) on 6 November 2003 (unless the Offer is extended or closed early).

Company means Tantalum Australia NL ABN 58 009 127 020.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Covenantors mean Lindsay John Archer, Eric Peter Murphy and Anthony Van Toll.

Directors means the directors of the Company at the date of this Prospectus.

Offer means the invitation to investors to apply for Shares pursuant to this Prospectus.

Listing Rules means the official Listing Rules of ASX.

Official List means the Official List of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means an option to acquire a Share.

Projects means the mining tenements described as M09/62, M09/75, E09/1038, E09/1039, E09/1074 (application), and P09/417.

Prospectus means this Prospectus.

Rare Resources means Rare Resources NL, ABN 17 009 260 566.

Rare Resources Shares means ordinary fully paid shares in Rare Resources.

Rare Resources Shareholders means holders of Rare Resources Shares.

Rare Resources Share Sale Agreement means the share sale agreement entered into between the Company, Rare Resources and the Covenantors on or about 23 October 2003.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

TAO means Tantalum Australia Operations Pty Ltd ABN 31 095 033 597, the fully owned subsidiary of the Company.

WST means Western Standard Time, Perth, Western Australia.

10. OFFER TO RARE RESOURCES SHAREHOLDERS

TERMS OF OFFER

1. General Terms

- 1.1** The Company offers one (1) fully paid ordinary Share in the Company (**Share**) for every three (3) Rare Resources Shares that you own in consideration for TAO's acquisition of 100% of your Rare Resources Shares on the terms and conditions of this Offer.
- 1.2** This Offer relates to all shares in Rare Resources which exist (or will exist) at any time during the offer period set out in paragraph 2 below (**Offer Period**) (subject to the Condition set out in paragraph 6.1).
- 1.3** If you accept this Offer TAO will proceed to acquire your Rare Resources Shares on the terms and conditions of the Rare Share Sale Agreement, and TAO will also be entitled to any Rights in respect of your Rare Resources Shares. The acquisition by TAO of your Rare Resources Shares will only occur on settlement of satisfaction of the conditions.
- 1.4** The Company will apply to ASX for permission for quotation of the Shares to be issued pursuant to this Offer within 7 days after the date of this Offer, in accordance with the Prospectus attached with this Offer.
- 1.5** The Shares to be issued pursuant to this Offer will from their date of issue rank equally in all respects with the existing Shares currently on issue.

2. Offer Period

Unless withdrawn due to the failure of the Condition, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending on 6 November 2003, or such other date as is determined by the Directors.

3. How to Accept this Offer

- 3.1** You may only accept this Offer in respect of 100% (and not a less proportion) of your Rare Resources Shares.
- 3.2** In order to accept the Offer, you must complete and sign the acceptance form which forms part of this Offer (**Acceptance Form**) in accordance with the instructions on the Acceptance Form and deliver all documents of title in respect of your Rare Resources Shares to the Company at its registered office before the end of the Offer Period.
- 3.3** The Company may in its sole discretion at any time deem any Acceptance Form it receives to be a valid acceptance in respect of your Rare Resources Shares even if a requirement for acceptance has not been complied with.
- 3.4** Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resolving from your acceptance is binding on you.

4 The Effect of Acceptance

4.1 By following the procedures set out in this Offer you will be deemed to have:

- (a) agreed to sell your Rare Resources Shares registered in your name to TAO and accepted this Offer (**Purchased Shares**) regardless of the number of Rare Resources Shares specified in the Acceptance Form;
- (b) agreed to transfer your Purchased Shares to TAO and waive all rights of pre-emption you have in respect of the Rare Resources Shares held by each other shareholder of Rare Resources enabling those persons to likewise accept the Offer;
- (c) authorised the Company to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary for the purpose of effecting acceptance of the Offer and registering the transfer of your Purchased Shares;
- (d) irrevocably authorised and directed Rare Resources to pay to TAO or to the account of TAO all rights in respect of the Purchased Shares;
- (e) represented and warranted to the Company that TAO will acquire good title to and beneficial ownership of all your Purchased Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
- (f) agreed to indemnify the Company fully in respect of any claim, demand, action, suit or proceeding made or brought against the Company and any loss, costs, expense, damage or liability whatsoever suffered or incurred by the Company or TAO as a result of the Company not receiving from you any certificates for your Purchased Shares; and
- (g) appointed the Company or any nominee of the Company as your agent and attorney to exercise all the power or rights attaching to your Purchased Shares and have agreed not to revoke that appointment during the period from the date of your acceptance of this Offer and the date on which TAO is registered as the holder of your Purchased Shares.

5 The Company's Obligations in respect of your Rare Resources Shares Acquired

5.1 Subject to this Offer, the Company will provide the consideration for your Rare Resources Shares to you on the date of settlement under the Rare Resources Share Sale Agreement or an earlier date in the Company's discretion. Settlement is due to take place as soon as is practicable after all Rare Resources Shareholders have accepted the Offer. A holding statement for the Shares to which you become entitled by accepting this Offer will be sent by pre-paid mail to your address as shown in the Acceptance Form.

6. Conditions of this Offer

6.1 This Offer and any contract that results from acceptance of this Offer are each conditional on the satisfaction or waiver of all of the conditions precedent to the Rare Resources Share Sale Agreement in accordance with its terms.

6.2 The condition in paragraph 6.1 operates as a condition subsequent and is for the benefit of the Company alone. The Company may waive this condition in its discretion.

7. No stamp duty or other costs

All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp duty payable in respect of the transfers will be paid by the Company.

8. Definitions

Unless otherwise defined, the terms used in this Offer shall have the same meaning as in the Prospectus accompanying this Offer.

ACCEPTANCE FORM

1. FORM OF ACCEPTANCE AND TRANSFER FOR FULLY PAID SHARES

Offer of Shares by Tantalum Australia Limited (ABN (58 009 127 020) (the Company) for Tantalum Australia Operations Pty Ltd (ABN 31 095 033 597) to acquire 100% of your fully paid ordinary shares in Rare Resources NL (ABN 17 009 260 566) (Rare Resources) pursuant to the Prospectus accompanying this Acceptance Form. Your acceptance must be received by no later than 5pm Australian Western Standard Time on 6 November 2003 (unless the Offer is extended).

Shareholder Details	Number of Rare Resources Fully Paid Shares you hold	
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If any of the above details are incorrect, please amend them and initial the alterations. You should read the Prospectus which accompanies this form. To accept the Offer contained in that document, complete this form below.

Number of Rare Resources Shares you hold is

Number of Rare Resources Shares which you wish to sell to the Company (being 100% of the number of Rare Resources Shares you hold) is

Consideration for Rare Resources Shares which you wish to sell to Tantalum Australia Operations Pty Ltd (on the basis of 1 Share for every 1 Rare Resources Share) is

Signature(s)

I/We, the person(s) named above, being the registered holder(s) of the Rare Resources Shares shown above accept the Offer in respect of the number of my/our Rare Resources Shares shown above and hereby agree to transfer to Tantalum Australia Operations Pty Ltd those Rare Resources Shares for the consideration specified above and agree to be bound by the terms and conditions of the Offer. I/We, the person(s) named above, represent and warrant to the Company that I/we have complete and unrestricted power to sell the Rare Resources Shares and that the Rare Resources Shares will be transferred free of any encumbrance. If this form is signed under Power of Attorney, the Attorney declares that he has no notice of revocation of that power.

Shareholder 1	Shareholder 2 (if joint)	Shareholder 3
_____	_____	_____
Sole Director and Sole Company Secretary (if company)	Director/Secretary (if company)	Director (if company)

Affix common seal here if required by constitution

Name and contact number of at least one signatory: _____

Dated / /2003

2. 1. HOW TO ACCEPT THE OFFER

THIS IS AN IMPORTANT DOCUMENT. IF YOU ARE IN DOUBT AS TO HOW TO COMPLETE THIS FORM PLEASE CONSULT YOUR BROKER OR FINANCIAL ADVISER IMMEDIATELY.

Your acceptance must be received by no later than 5pm Australian Western Standard Time on 6 November 2003 (unless the Offer is extended).

Instructions for all holders

To accept the Offer you should complete, sign and date the form on the reverse side.

Please note:

- Joint Holders - All joint holders must sign this form.
- Corporations - This form must be signed by the authorised officers of the corporation and sealed (if required by, and in accordance with, the corporation's constitution), or a duly appointed attorney.
- Power of Attorney and Deceased Estates - If this form is signed under power of attorney, or by the executors of a deceased estate, or by the administrators, the relevant power of attorney, probate or letters of administration, together with any other documents required by law, must be attached.

Shareholders should mail or deliver their completed form to:

Tantalum Australia NL
13 Mumford Place
BALCATTWA WA 6021

A pre-paid envelope has been enclosed for shareholders with Australian addresses.

Overseas shareholders are urged to return their completed form by airmail.

If you have any queries concerning your shareholding or need help in completing this form please contact Peter Farrah on (08) 6241 1811.

TANTALUM AUSTRALIA NL

ABN 58 009 127 020

PROSPECTUS

**FOR THE OFFER OF APPROXIMATELY 2,996,662 SHARES TO THE
SHAREHOLDERS OF RARE RESOURCES NL IN CONSIDERATION FOR THE
ACQUISITION OF ALL THEIR RARE RESOURCES SHARES BY TANTALUM
AUSTRALIA OPERATIONS PTY LTD ON THE TERMS AND CONDITIONS SET
OUT IN THIS PROSPECTUS**