



TANTALUM AUSTRALIA NL

ABN 58 009 127 020

RIGHTS ISSUE PROSPECTUS

For a non-renounceable rights issue of up to approximately 25,352,955 Shares in the capital of the Company to be issued at a price of 6 cents per Share on the basis of 1 Share for every 10 Shares held as at 5.00pm WST on 15 June 2004 to raise up to approximately \$1,521,177.

**THE OFFER IS UNDERWRITTEN BY
INTERSUISSE LIMITED ABN 14 002 918 247**

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

COMPANY HIGHLIGHTS

The Company believes the achievement of the following business objectives highlight the strengths of the Company.

- ⌘ The Company has established strategic alliances with leading global entities within the tantalum industry covering the electronics and aerospace sectors to facilitate a well managed independent raw material supply chain;
- ⌘ The Company is due to commence tantalum deliveries under long term contracts with major end users worth approximately \$56 million.
- ⌘ It is expected that 300,000 – 500,000 lbs of tantalum concentrates will be delivered in 2004/05 and forecast to ramp up to between 800,000 – 1,000,000 lbs per annum over the next 2-3 years.
- ⌘ TAA's competitive advantage lies in its strategic alliances with end users, ability to procure and upgrade materials from its African long-term contracts. In addition, TAA's own resource base can be mined subject to market conditions.
- ⌘ Over the past three years your Company has been establishing a niche position in the global tantalum market to provide refineries and end users of tantalum with an alternate supply of quality concentrates. Our business model has been endorsed by global end users and refiners who now have an alternate source of supply in a market that up until now has been dominated by a single supplier.
- ⌘ TAA is positioned to benefit from strong forecast demand for tantalum and rising prices that are expected to deliver increasing profit margins over the next 2-3 years.
- ⌘ The Company has built its own infrastructure to procure, mine and treat tantalum concentrates in significant volumes for export. Its mineral dressing facilities are the only independent mineral dressing facilities of their type in the world outside of the existing established suppliers;
- ⌘ The Company is committed to its long term position in the tantalum industry, which is demonstrated by its successful exploration/acquisition efforts that have identified significant tantalum resources;
- ⌘ While the focus is secondary, TAA continues to explore its gold assets with very successful results as evident from high grade intersections encountered at several of its project areas over the last 12 months;

- ⊕ In conjunction with Boston University of US, TAA has developed significant technology breakthroughs in the extraction of tantalum metal from concentrates using a patented, environmentally friendly, low cost process (SOM) expected to create significant economic advantages within the rare metal production industry in future years; and

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SECTION 1

SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

Lodgement of Prospectus with ASIC	03-June-2004
Record Date	15-June-2004
Opening Date and Dispatch of Prospectus	16-June-2004
Closing Date	30-June-2004
Securities quoted on deferred basis*	01-July--2004
Deferred settlement trading ends and dispatch date	08-July-2004

*The Directors and the Underwriters may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date

IMPORTANT NOTICES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers before deciding whether to accept their Entitlement.

This Prospectus is dated 3 June 2004 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 3 July 2005 (Expiry Date). No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

The Company will apply to ASX on the date of this Prospectus for official quotation by ASX of the Shares offered by this Prospectus. The Shares offered by this Prospectus should be considered speculative. Please refer to Section 7 for details relating to risk factors.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus. The Entitlement and Acceptance Form sets out a person's Entitlement to participate in the Offer. Shareholders may wish to apply for more Shares than the number shown on their Entitlement and Acceptance Form if Shares become available where existing Shareholders do not take up their Entitlement to participate. This may be done by completing a Shortfall Application Form.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

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.

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.

SECTION 2

CORPORATE DIRECTORY

Directors

Timothy King (Chairman)
Michael Fotios (Managing Director)
David Reynolds (Non-Executive Director)
Aryati Sasya Ahmad Sebi (Non-Executive Director)

Share Registry

Security Transfer Registrars Pty Ltd *
PO Box 535
APPLECROSS WA 6953
Phone: (08) 9315 0933
Fax: (08) 9315 2233

Company Secretary

Peter Farrah

Solicitors to the Company

Steinepreis Paganin
Level 14, Citibank House
37 St Georges Terrace
PERTH WA 6000

Registered Office

13 Mumford Place
BALCATTA WA 6021

Pullinger Readhead Stewart *
Level 1, Scott House
46-50 Kings Park Road
WEST PERTH WA 6005

Auditors

Grant Thornton
Level 6, 256 St Georges Terrace
PERTH WA 6000

Underwriter and Broker to the Offer

Intersuisse Limited
Level 7, 530 Collins Street
MELBOURNE VIC 3000

Telephone: 61 3 9629 8288
Facsimile: 61 3 9629 8882

Level 7, 5 Elizabeth Street
SYDNEY NSW 2000

Telephone: 61 2 9233 2100
Facsimile: 61 2 9233 2117

suisse@intersuisse.com.au

Corporate Advisor

Intersuisse Corporate Pty Ltd
Level 7, 530 Collins Street
MELBOURNE VIC 3000

* These entities have not consented to being named in this Prospectus. Their names are included for information purposes only.

Underwriter

This Offer is underwritten by Intersuisse Limited on the terms and conditions set out in Section 8.2. Directors of the Company (or their associated companies) are sub-underwriters and have entered into agreements with the Company to convert director's fees and consulting fees, and loans where applicable, to Shares pursuant to the terms and conditions of this Offer and as set out in Section 8.2.

SECTION 3

CHAIRMAN'S LETTER

Dear Shareholder

It is my pleasure to introduce this Prospectus and offer you the opportunity to subscribe for Shares in your Company on the basis of one (1) Share for every ten (10) Shares held, allocated pursuant to the Prospectus ("Offer"). The subscription price for each Share is 6 cents. The number of Shares to which you are entitled to subscribe is set out in the Entitlement and Acceptance Form enclosed with this Prospectus.

Reasons for Offer

TAA has established a strong management and technical team who have been working hard over the past 3 years to carry out its primary objective of maximising shareholder wealth through the development of an alternate tantalum supply chain supported by a fully integrated tantalum and rare metals business.

The tantalum price is strengthening on the back of increased economic activity in the drivers that dictate the demand and supply of Ta₂O₅. TAA is in an excellent position to take part in the up-cycle in the world market for Ta₂O₅ that is being driven by rising electronics usage, increased activity in the aerospace sector, growing requirements for gas turbine power generating plants, and the depletion of global inventory stocks.

The Company has now secured:

- The supply chain of raw material;
- Significant tantalum resources that can be exploited in the future;
- The customers who seek an independent supply source of raw material; and
- The infrastructure to treat raw material to value add its product.

The Company has now secured significant long term supply agreements with some of the World's largest end users of tantalum and entered into long term contracts for the procurement of concentrates to fill its supply agreements. TAA has laid the foundations to roll out its tantalum concentrate sales programme having entered into agreements to make regular shipments to its customers in China and elsewhere. The current ramp up of supply will require additional working capital to meet the existing and forecast demands of our customers.

Milestones achieved to date are set out in the Company Highlights section of this Prospectus.

The Offer is fully underwritten by Intersuisse Limited. The offer closes at 5.00 pm WST on 30 June 2004.

In order to ensure that your Company continues to grow and has the resources to continue with its various projects and operations, I recommend the Offer to you.

If you have any queries concerning the Offer, or the action you are required to take to subscribe for Shares, please contact your financial adviser or the Managing Director, Mr Michael Fotios on (08) 6241 1888 or the Broker to the Offer, Intersuisse Limited on (03) 9629 8288.

Yours sincerely

Timothy King
Chairman

SECTION 4

DETAILS OF THE OFFER

4.1 Offer of Shares

The Offer is being made as a pro rata non renounceable rights issue to holders of Shares on the basis of 1 Share for every 10 Shares held on the Record Date.

The number of securities to be issued is up to approximately 25,352,955 Shares at an issue price of 6 cents each. The Offer will raise up to approximately \$1,521,177. The Offer is fully underwritten by Intersuisse Limited. The material terms of the Underwriting Agreement are set out in Section 8.2 of this Prospectus.

The terms and conditions of the Options which the Company has on issue do not allow for the participation by those option holders in new issues of securities. Those option holders will, however, be entitled to exercise their Options during the time period set out in the ASX Listing Rules in order to participate in the Offer. Accordingly, if optionholders exercise their Options prior to the Record Date, the number of Shares issued pursuant to this Prospectus may increase.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

4.2 Shortfall

The offer of the Shortfall is a separate offer pursuant to this Prospectus made to the Shareholders. The issue price of any Shares offered pursuant to the Shortfall Offer shall be 6 cents, being the price at which the Entitlement has been offered to Shareholders pursuant to this Prospectus. Neither the Underwriter nor the Directors can guarantee that any application to participate in the Shortfall Offer will be successful. In relation to the Shortfall Offer the Underwriter reserves the right to allot to an applicant a lesser number of Shares than the number for which the applicant applies, or to reject an application or to not proceed with the placing of the Shortfall. If the number of Shares allotted is fewer than the number applied for, surplus application monies will be refunded in full. Interest will not be paid on monies refunded.

4.3 How to Accept the Offer and Apply for Shortfall

Your acceptance of the Offer must be made on the “Entitlement and Acceptance Form” attached to or accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you wish to accept part of your Entitlement only:
 - (i) fill in the number of Shares you wish to accept in the space provided on

the Entitlement and Acceptance Form; and

- (ii) attach your cheque for the appropriate application monies (at 6 cents per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
- (d) to apply for additional shares forming part of the Shortfall please complete the "Shortfall Application Form". The same payment terms apply to applications for Shares under the Shortfall as apply for Shares accepted as part of your Entitlement.

If you wish to participate in the Offer and apply for Shares under the Shortfall you must forward the completed Entitlement and Acceptance Form and Shortfall Application Form, together with your cheque drawn on an Australian bank or bank draft made payable in Australian currency to "Tantalum Australia NL – Subscription Account" and crossed "Not Negotiable" for the appropriate amount, to the Company in the enclosed envelope at the following address:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

or

Tantalum Australia NL
13 Mumford Place
BALCATT WA 6021

Your completed Entitlement and Acceptance Form and Shortfall Application Form (if applicable) and cheque must reach the Company's share registry no later than 5pm WST on the Closing Date.

You must note that the Offer is non renounceable so that a holder of Shares may not sell or transfer all or part of their Entitlement.

4.4 Australian Stock Exchange Listing

Application for official quotation by ASX of the Shares the subject of the Offer will be made on the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as is varied by the ASIC), none of the Shares offered by this Prospectus will be allotted and issued and the Company will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

Quotation, if granted, of the Shares offered by this Prospectus will commence as soon as practicable after statements of holdings for the Shares are dispatched.

4.5 Minimum Subscription

The minimum subscription in respect of the Offer is \$1,521,177. No Shares will be allotted or issued by this Prospectus in respect of the Offer until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the application monies received pursuant to the Offer to the Applicants or issue a supplementary or replacement prospectus

and allow Applicants one month to withdraw their Application and be repaid their application monies.

4.6 Allotment of Shares

Shares issued pursuant to the Offer will be allotted within 6 Business Days after the Closing Date.

Where the number of Shares allotted is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the issue and allotment of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on such bank account and each applicant waives the right to claim any such interest.

4.7 Residents Outside Australia and New Zealand

The Offer constituted by this Prospectus is made to residents of Australia and New Zealand only.

The Company is of the view that it is unreasonable to make the Offer to overseas Shareholders (ie. those without registered addresses in Australia or New Zealand) having regard to:

- (a) the number of overseas Shareholders;
- (b) the number and value of Shares to be offered to overseas Shareholders; and
- (c) the costs of complying with overseas legal requirements.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of such regulations.

No offer of Shares will be made to persons resident in countries outside Australia and New Zealand and this Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer to any person resident in any country other than Australia and New Zealand.

4.8 Taxation Implications

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential applicants in the Offer. Potential applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offers.

4.9 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 ASIC Settlement Rules.

4.10 Private Placement of Shares

Prior to the Record Date, the Company will make an issue of Shares to sophisticated, professional investors or other investors not requiring a Disclosure Document (as defined under section 708 of the Corporations Act). That issue will be up to the remaining 15% available to the Company pursuant to Rule 7.1 of the ASX Listing Rules of the total Shares on issue at the time of the date of this Prospectus. Those Shares will be issued on the same terms as the Shares issued under this Offer.

For the purpose of this Prospectus, it has been assumed that the private placement has been effected totaling 3,750,000 Shares issued at 6 cents. For the avoidance of doubt, investors who have received Shares pursuant to this private placement will have the right to participate in this Offer, and the capital structure of the Company set out in this Prospectus accounts for that participation.

4.11 Enquiries

Any questions concerning the Offer should be directed to Mr Michael Fotios on (08) 6241 1888, or to Intersuisse Limited on (03) 9629 8288 or (02) 9233 2011.

Tantalum Australia NL

13 Mumford Place
BALCATTA WA 6021
Australia

Telephone: 61 8 6421 1888
Facsimile: 61 8 8354 1811

Intersuisse Limited

Level 7, 530 Collins Street
Melbourne VIC 3000
Australia

Telephone: 61 3 9629 8288
Facsimile: 61 3 9629 8882

Level 7, 5 Elizabeth Street
Sydney NSW 2000
Telephone: 61 2 9233 2100
Facsimile: 61 2 9233 2117

Email: administration@tantalumaustralia.com E-mail: suisse@intersuisse.com.au
Web Address: www.tantalumaustralia.com

SECTION 5

PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,521,177. The proceeds from the Offer will be used:

- (a) to fund exploration and development activities on the Company's Binneringie and Mt Deans Tantalum Projects estimated at \$200,000;
- (b) to fund further exploration activities and a feasibility study on the Company's Norseman Gold Project estimated at \$100,000;
- (c) to fund an initial due diligence programme to assess the metallurgy of the Company's Brockman Tantalum / Niobium Project estimated at \$150,000;
- (d) to fund research and development expenditure in conjunction with the Boston University relating to the SOM technology for the conversion of tantalum concentrate to tantalum metal estimated at \$150,000;
- (e) to fund the procurement of tantalum concentrate from suppliers in Southern and Central Africa for processing at the Company's Balcatta mineral dressing facility for delivery to customers estimated at \$250,000;
- (f) to fund the costs of the issue estimated at \$161,000; and
- (g) to fund short term debt reduction and provide additional working capital for the Company of approximately \$510,177.

The use of Funds set out above is a "best estimate" only. It is important to recognize that the use of Funds may be subject to change in line with results, circumstances and other opportunities.

5.2 Effect of the Offer and pro forma transactions on the Unaudited Pro Forma Statement of Financial Position

The principal effect of the pro forma transactions and the Offer will be to:

- (a) increase cash reserves by approximately \$443,000 immediately after completion of the issues of 5,537,500 Shares at 8 cents per Share to various parties and the issue of 750,000 Shares in consideration for R&D services to Boston University Trust excluding the costs associated with such issue being included in estimated losses to 30 April 2004;
- (b) increase cash reserves by approximately \$208,578 immediately after completion of the issues of 3,750,000 Shares at 6 cents per Share to various parties including estimated expenses of the issues;
- (c) increase cash reserves by approximately \$1,360,163 immediately after completion of the Offer and estimated expenses of the Offer expenses against capital equity (refer to Section 8.5), assuming all Shares offered under this Prospectus are issued;
- (d) estimated losses to 30 April 2004 (excluding depreciation) of \$852,036 to better reflect the cash effect, exploration costs of \$375,004 and utilisation of the Drilling Fund of \$250,049; and

- (e) increase the number of Shares on issue from 253,529,547 Shares as at the date of this Prospectus, to 278,882,502 Shares, assuming all Shares offered under this Prospectus are issued.

Set out below is:

- (a) an audited comparative Statement of Financial Position of the Company as at 31 December 2003, extracted from the Company's audited financial statements for the half year ended 31 December 2003, and
- (b) an unaudited consolidated pro forma Statement of Financial Position as at 31 December 2003 incorporating the effect of the Offer and pro forma transactions.

5.3 Comparative Statements of Financial Position

The comparative audited Statement of Financial Position as at 31 December 2003 and unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2003 shown in the table have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position, assuming that all the Shares are issued on 8 July 2004 and Pro Forma transactions occur as detailed in Sections 5.2 and 5.4.

Pro Forma Unaudited Consolidated Statement of Financial Position as at 31 December 2003

	Audited Consolidated Statement of Financial Position as at 31 December 2003 \$	(a) Placements 16 January 2004 \$	(b) Placements June 2004 @ 6 cents \$	(c) Proposed Share Issue @ 6 cents \$	(d) Adjustments and assumptions \$	Pro Forma Unaudited Consolidated Statement of Financial Position as at 31 December 2003
Current Assets						
Cash	1,280,370	443,000	208,578	1,360,163	(976,991)	2,315,120
Receivables	155,754					155,754
Other financial assets	-					-
Inventories	27,812					27,812
Other	795,179				(250,049)	545,130
Total Current Assets	2,259,115	443,000	208,578	1,360,163	(1,227,040)	3,043,616
Non-Current Assets						
Receivables	711,332					711,332
Property Plant & Equipment	3,092,618					3,092,618
Investments	-					-
Mineral interests	4,026,920				375,004	4,401,924
Other	249,211					249,211
Total Non-Current Assets	8,080,081	-	-	-	375,004	8,455,085
Total Assets	10,339,196	443,000	208,578	1,360,163	(852,036)	11,498,901
Current Liabilities						
Accounts Payable	1,605,497					1,605,497
Bank overdraft	70,915					70,915
Interest-bearing liabilities	319,193					319,193
Provisions	160,261					160,261
Total Current Liabilities	2,155,866	-	-	-	-	2,155,866
Non-Current Liabilities						
Interest-bearing liabilities	-					-
Provisions	727,692					727,692
Total Non-Current Liabilities	727,692	-	-	-	-	727,692
Total Liabilities	2,883,558	-	-	-	-	2,883,558
Net Assets	7,455,638	443,000	208,578	1,360,163	(852,036)	8,615,343
Equity						
Issued Capital	41,374,194	443,000	208,578	1,360,163		43,385,935
Reserves						-
Accumulated Losses	(33,918,556)				(852,036)	(34,770,592)
Total Equity	7,455,638	443,000	208,578	1,360,163	(852,036)	8,615,343

5.4 Pro Forma Transactions in Determining the Pro Forma Unaudited Consolidated Statement of Financial Position:

	Issue Price	Number	Cash
a Placement 16 January 2004	\$0.08	5,537,500	443,000
b Costs of January Placements in June 2004			
Placement Fees	6%		13,500
Listing Fees			2,922
			<u>16,422</u>
c Consolidated operating loss for the four months ended 30 April 2004 estimated at:			<u>852,036</u>
d Consolidated Exploration Cost for the four months ended 30 April 2004			<u>375,004</u>
e Drilling Fund utilised in exploration activities (non cash)			<u>250,049</u>
f Costs of the Issue:			\$
Underwriting Fees	6%		91,271
Listing Costs			8,744
Legals			20,000
Other Advisory			30,000
Printing & Mailing			11,000
			<u>161,015</u>

5.5 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer and pro forma transactions are set out below. This assumes that the Offer is fully subscribed.

Capital Structure After Completion of Offer and Pro Forma Transactions

# Shares		Value \$
243,492,047	Fully paid ordinary shares at 31 December 2003	41,374,194
6,287,500	Placements January 2004	503,000
3,750,000	Placement June 2004	225,000
25,352,955	Shares offered pursuant to this Prospectus	1,521,177
278,882,502	Total Issued Capital	43,623,371

5.6 Options

At the date of this Prospectus the Company has on issue 1,095,000 unlisted Options to Company officers and staff.

No Options will be issued under this Prospectus.

SECTION 6

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.

6.1 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.

6.2 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 in respect of each Share held by him; 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 the share, 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.

6.3 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.

6.4 Winding-Up

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. 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 contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities and which are subject to escrow restrictions at the time of the commencement of the winding up shall rank in priority after all other shares.

6.5 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.

6.6 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.

6.7 Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

SECTION 7

RISK FACTORS

7.1 General

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. A number of material risk factors are set out below. This list is not exhaustive and potential applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Like the majority of companies, the Company faces commercial risks such as competition, litigation, industrial disputes, information technology system problems, operational risks and liabilities that have the potential to affect profitability.

7.2 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 including agreement risk;
- product development;
- product purchase;
- product supply; and
- continuity of personnel.

7.3 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.

7.4 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. The market price of the Shares could be subject to significant fluctuations due to various facts and events, including any regulatory or economic changes affecting the Company's operations, variations in the Company's operating results, the prices for its products, developments in the Company's business or its competitors, or to changes in the market sentiment toward the Shares. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the Shares from time to time.

7.5 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.

7.6 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.

7.7 Competition

The Company operates in the competitive international market for rare metals concentrate and metal ingot. In this market it competes with companies of varying size and financial capacity. Failure to win continued support of its customers and/ or suppliers may have an adverse financial impact on the Company.

7.8 Insurance

The Company maintains insurance which the Directors consider to be appropriate having considered the industry in which the Company operates. However, there may be circumstances where the Company's insurance will not cover, or be adequate to cover, the consequences of certain events, or where the Company may become liable for operational hazards against which it either cannot insure or may elect not to insure because of high premium costs. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on the business, operations and financial position of the Company. Moreover, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates the Directors consider commercially reasonable.

7.9 Other External Factors

The Company's operations and projects may be influenced by economic and political events, trends and developments which are outside the control of the Company, including war, terrorism, major health epidemics and civil unrest.

7.10 Capital Markets Risk

The Company may seek from time to time to raise funds on the capital markets. The stability of the capital markets can vary dramatically over short periods of time. Hence, there is a risk associated with underwritten fund raising until the funds have been raised in full. In the event that the fund raising failed during the timetable specified, the Company would be required to rely upon reserves and its ability to attract alternative funding arrangements under a duress situation.

7.11 Changes to Accounting Standards

For reporting periods beginning on or after 1 January 2005, the Company must comply with International Financial Reporting Standards (IFRS). These changes will affect the way certain items are reported in the Company's financial statements. The most significant changes to accounting treatment under IFRS as it applies to the Company are likely to be related to the accounting for research and development costs, and intangible assets being patents, licences, goodwill and carried forward exploration costs.

Risk Factors Specific to Tantalum Australia NL

7.12 Purchase Risk

The Company intends to source tantalum concentrate from miners in Africa in order to assist it to meet contractual obligations to deliver tantalum concentrate. This supply chain relies upon the ability of the Company to reliably acquire sufficient quantities, in sufficient grades, at a commercial price and the ability to export from a number of southern African countries to mineral dressing facilities in Australia in a timely and cost effective manner.

7.13 Supply Risk

The Company intends to enter, and has entered, into a number of agreements to supply tantalum and niobium concentrates to customers, principally operating in Europe, Asia and the United States of America. The Company is required to deliver the agreed volumes of concentrate, at the agreed grade, to the customer within an agreed timetable. The ability of the Company to fulfil these obligations depends on a range of factors, including the ability to source the concentrate, the levels of inventory and transportation schedules.

7.14 Agreement Risk

The Group is party to a series of agreements to sell tantalum concentrate, and to buy and sell refined metal ingots. These agreements are with entities in Europe and the United States. The ability of the Company to fulfill these obligations depends on the ability to source economic quantities of tantalum concentrate. The Company also depends on these agreements being maintained according to the agreement terms by each counter-party, including ordering agreed volumes of concentrate and metal ingots.

7.15 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 provides attractive employment conditions to assist in the retention of key personnel.

7.16 Exploration and 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.

7.17 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.

7.18 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.

7.19 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.

7.20 Customers' Credit Risk

The Company relies on the ability of its customers to meet the payments under the credit terms specified in the contracts of sale. Whilst the Directors have no reason to believe that the Company's customers are or will be unable to meet their payment obligations, there can be no assurance that circumstances beyond the Company's control might arise which would adversely affect the ability of those customers to do so.

7.21 Retention of key business relationships

The Company relies significantly on several strategic relationships with other entities in the international rare metals industry, including customers and suppliers. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key customer relationships or agreements could adversely impact the Company, its business, operating results and prospects.

7.22 Currency and Exchange Rate Fluctuations

The exchange rate between various currencies may fluctuate substantially and the results of these fluctuations may have a material adverse impact on Tantalum Australia's operating margins, results of operations and financial position. In particular, the Company holds agreements to purchase and sell tantalum concentrate and metal ingots that are

denominated in US dollars. However, the back-to-back nature of these agreements will provide some level of protection for the Company from exchange rate movements.

7.23 Risk of Loss on Permits and Licences

Tantalum Australia's mining and process activities are dependent on the grant of appropriate licenses, concessions, leases, permits, planning and regulatory consents which may be withdrawn or made subject to conditions. Although Tantalum Australia believes that the licenses, consents and permits it holds will be renewed, if required, according to current applicable laws, there can be no assurance that they will be renewed or as to the terms of any such renewal.

7.24 Country/Sovereign

Although it is generally regarded the countries that the Company has dealings with are stable, it is not possible to guarantee that the current investment climate will continue if social or political upheaval or a change in leadership occurs. Possible sovereign risks include changes in the taxation rate or in current taxation concessions and changes in the ability to enforce legal rights.

SECTION 8

ADDITIONAL INFORMATION

8.1 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 ASIC;
 - (ii) any half yearly financial report lodged with the ASIC by the Company after lodgment of the annual report and before lodgment of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after lodgment of the annual report with ASIC.

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.

The Company has lodged the following announcements with ASX since the lodgment of the last year financial statements:

Date	Description of Announcement
29/10/2003	Relief under sub-section 315(1)
31/10/2003	Results of General Meeting
03/11/2003	Quarterly Report & Appendix 5B
05/11/2003	Rare Resources NL Prospectus
12/11/2003	Rare Resources NL Prospectus dated 11 November 2003
12/11/2003	Notice of Annual General Meeting
14/11/2003	Closure of Rare Resources NL Prospectus
14/11/2003	Appendix 3B – Rare Resources NL Issue
24/11/2003	Amended Appendix 3B – Rare Resources NL Issue
02/12/2003	BHP Billiton Joint Venture
03/12/2003	TAA secures SOM rights for titanium and magnesium
12/12/2003	Placement of 20 million shares
19/12/2003	Reliance Statement
23/12/2003	Share Purchase Plan
24/12/2003	Withdrawal of Share Purchase Plan
30/12/2003	Appendix 3B – 20 million shares
19/01/2004	Appendix 3B – issue of 6,287,500 shares
19/01/2004	Reliance Statement
30/01/2004	Quarterly Report and Appendix 5B
20/02/2005	Iron Duke Drilling Results
16/03/2004	December 2003 Half Yearly Accounts
22/03/2005	Iron Duke Re-split Results
02/04/2005	New gold discovery at Hope River in Meekatharra Project
30/04/2004	Quarterly Report March 2004 and Appendix 5B
05/05/2004	Drilling results Mt Deans Tantalum Project
13/05/2004	Chinese Long Term Contract
17/05/2004	African Tantalum Supply
25/05/2004	Chinese MOU for tantalum supply
31/05/2004	Brockman Project Feasibility Study

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.

8.2 Material Contracts

Underwriting Agreement

On 3 June 2004, the Company entered into an underwriting agreement with the Underwriter pursuant to which the Underwriter has agreed to fully underwrite the Offer in consideration of the payment by the Company to the Underwriter of fees stated in Section 8.5 plus reimbursement of reasonable costs and expenses incidental to the Offer.

The Underwriter may, by notice to the Company given upon or at any time prior to the allotment of all the Shares offered pursuant to this Prospectus, terminate its obligations under the Underwriting Agreement in its sole and absolute discretion if (any terms used below are as defined in the agreement) any of the following occurs:

- (a) the Underwriter becomes aware of any information in respect of the Offer, the Prospectus or any related document which, in the reasonable opinion of the Underwriter, is untrue, incorrect or misleading or deceptive in its content in a material way or the Underwriter becomes aware of any omission or non-disclosure therein or there is made public any item, transaction or event of a material nature not previously made public, which the Underwriter reasonably considers to be material (not being an item, transaction or event the full particulars of which have been advised to the Underwriter in writing prior to the date of this Agreement or referred to in the Offer, the Prospectus or any related document and the Company has specifically drawn such matters to the attention of the Underwriter);
- (b) any default by the Company in the performance of its obligations under the Underwriting Agreement which the Underwriter reasonably considers to be material;
- (c) save in the context of any restructure of the Company to achieve objectives agreed with the Underwriter to facilitate the Issue, the occurrence or announcement of any material adverse change in the condition, management or financial position, business, operations or prospects of the Company or a subsidiary including without limitation:
 - (i) any one or more of the provisions of the constituent documents of the Company or a subsidiary being altered;
 - (ii) the Company or a subsidiary resolving to reduce its share capital in any way;
 - (iii) the Company or a subsidiary disposing, or agreeing to dispose of the whole, or a substantial part, of its business or any of its property, unless agreed to in advance by the Underwriter in writing;
 - (iv) the Company or a subsidiary charging, or agreeing to charge, any part of its business or any of its property, unless agreed to in advance by the Underwriter in writing; or
 - (v) any change in the current board of directors or senior management of the Company without the prior written consent of the Underwriter;
- (d) there is a contravention by the Company of any provision of its constitution or of any legislation of the Commonwealth of Australia or any State or Territory thereof relating to the securities industry or taxation or any of the Listing Rules;
- (e) there is any new outbreak or escalation of hostilities or new acts of terrorism after the date of this Agreement involving any of Australia, Japan, the United Kingdom, the United States of America, Afghanistan, Iraq, Iran, North Korea, Canada, Indonesia, any member of the Organisation of Petroleum Exporting Countries, or any other country of the Middle East, People's Republic of China, Russia or other countries of the Commonwealth of Independent States, which would have a material adverse effect in the sole and reasonable opinion of the Underwriter, on the Offer;
- (f) any person acquires a relevant interest (as that term is defined in the Corporations Act) in more than 20% of the issued share capital of the Company (excepting the existing owners of the Company at the date of this Agreement);

- (g) any law being introduced into the Parliament of the Commonwealth of Australia or any of the legislatures of the States or Territories of Australia or any prospective law or other measures being passed or becoming effective, having the effect of restricting capital issues or company profits or imposing any excess profits, tax or any other measure which, in the reasonable opinion of the Underwriter, is likely to have an adverse effect on the success of the Offer, the underwriting of the Offer, or the financial position or prospects of the Company;
- (h) any law or budget being introduced into the Parliament of the Commonwealth of Australia or any of the legislatures of the States or Territories of Australia or any prospective law or other measure being passed or becoming effective, or there being adopted by any government authority any major change in monetary or fiscal policy;
- (i) at any time, excepting any event required to restructure or structure the Company to achieve agreed objectives to facilitate the Offer:
 - (i) the Company or its subsidiaries or any of them, are wound up, or suffer any act whereby any of them might be wound up;
 - (ii) a meeting is called to consider a resolution for the winding up of a relevant company;
 - (iii) proceedings are commenced against a relevant company which would materially impact upon or inhibit the relevant company which would materially impact upon or inhibit the relevant company carrying on its business; or
 - (iv) a relevant company otherwise becomes an externally administered body corporate (within the meaning of the Corporations Act);
- (j) a relevant company fails to comply with a statutory demand in accordance with the Corporations Act or any proceedings are commenced or threatened against a relevant company for its winding up;
- (k) an increase in the interest rate for the issue of Australian Government or semi-Government securities by more than one half of one percent above that prevailing on the date of the signing of the Underwriting Agreement;
- (l) any material breach of any warranty given by the Company to the Underwriter;
- (m) ASIC makes any stop order or gives notice of an intention to hold a hearing in relation to the Prospectus under the law;
- (n) Unconditional approval or conditional approval (provided such conditions would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer or the underwriting of the Offer) by the ASX for quotation is refused, or is not granted prior to 5pm on a date which is within 7 days after the Closing Date or such approval is granted but then withdrawn;
- (o) a court or ASIC concludes that the Prospectus fails to comply with the Corporations Act or any other applicable laws;
- (p) a supplementary or replacement document in relation to the Offer is required to be lodged under section 719 of the Corporations Act;
- (q) in the opinion of the Underwriter, the Company has not taken all necessary steps to satisfactorily complete the due diligence programme and a review of any associated documentation;

- (r) in the reasonable opinion of the Underwriter, the Company has not taken all necessary steps to satisfactorily complete ongoing due diligence;
- (s) in the sole opinion of the Underwriter, there has been any breach of the law which may affect the Company share price, which includes but is not limited to market misconduct and/or other prohibited conduct as described in Chapter 7 of the Corporations Act; and
- (t) the ASX does not indicate in writing that it will grant quotation (subject only to customary listing conditions) on or before 5.00pm on the listing approval date;
- (u) if the Directors of the Company (or their associates) fail to submit valid applications for the first \$500,000 for any Shortfall Securities in accordance with the terms of their agreements with the Underwriter;
- (v) any of the following indices close below the following values:
 - (i) 3,206 in the case of the Australian All Ordinaries Index;
 - (ii) 3,207 in the case of the S & P ASX 200
 - (iii) 9,493 in the case of the Dow Jones Industrial Average;
 - (iv) 10,200 in the case of the Nikkei Dow; and
 - (v) 4,845 in the case of the S & P ASX 200 Materials Index (ASX Code "XMJ").

on two or more days (consecutive or non-consecutive) on which the relevant exchange or exchanges is or are open after the date of this Agreement;

The Company has agreed to indemnify the Underwriters against loss and damage caused by any matter attributable to the Company and has provided usual warranties on its capacity, this Prospectus and disclosure of information to the Underwriters.

The Underwriters may in their discretion nominate allottees for the Underwritten Shares.

8.3 Directors' Sub underwriting

On or about 3 June 2004 Austminex NL and Michael Fotios ATF Michael Fotios Family Trust, (both interests controlled by Michael Fotios), and Rexfam Trading Pty Ltd (a company in which Timothy King has a relevant interest) have each entered into a sub-underwriting arrangement with the Underwriter.

Under the sub-underwriting arrangement:

- (a) Rexfam Trading Pty Ltd has a sub-underwriting commitment to subscribe for \$200,000 of any shortfall;
- (b) Austminex NL has a sub-underwriting commitment to subscribe for \$120,000; and
- (c) Michael Fotios ATF Michael Fotios Family Trust has a sub-underwriting commitment to subscribe for \$180,000.

No sub-underwriting fee will be applied to any of the sub-underwriters described in this Section 8.3.

8.4 Conversion of Debt to Equity

The Company has entered into agreements with Rexfam Consulting Pty Ltd (a company in which Timothy King has a relevant interest) and companies controlled by Michael Fotios (being Michael Fotios Family Trust and Austminex NL) in which those parties agree that:

- (a) in respect of fees owed to Rexfam Consulting Pty Ltd (being the sum of \$189,066) by the Company for services performed by it, those fees may be offset against the subscription amounts for Shares applied for by Rexfam Consulting Pty Ltd (a company in which Timothy King has a relevant interest) at the election of Rexfam Consulting Pty Ltd; and
- (b) loan and fees owing to Austminex NL and Michael Fotios Family Trust (being the total of \$252,977) respectively by the Company for services performed by those entities, will be offset against the subscription amounts for Shares applied for.

8.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (i) the promotion or formation of the Company; or
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- (iii) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or offer of Shares pursuant to this Prospectus.

8.4.1 Directors' interest in securities of the Company at the date of this Prospectus are:

Name of Director	Ordinary Shares
Timothy King	3,340,200
Michael Fotios	8,224,610
David Reynolds	-
Sasya Serbi	-

8.4.2 As set out above, Rexfam Trading Pty Ltd, a company in which Timothy King has a relevant interest, has entered into a sub-underwriting arrangement with the Underwriter to subscribe for up to 3,333,333 Shares being \$200,000 worth of Shares not taken up by Shareholders. Timothy King's interest in the Company may increase from 1.317% to a 2.512% interest being a total of 7,007,553 Shares in the Company assuming Rexfam Trading Pty Ltd is obligated to subscribe for its full commitment under its sub-underwriting agreement with the Underwriter.

8.4.3 Austminex NL (a company in which Michael Fotios has a relevant interest) has also entered into a sub-underwriting arrangement with the Underwriter to subscribe for 5,000,000 Shares being \$300,000 worth of Shares not taken up by Shareholders under their Entitlement. Michael Fotios and his associated entities intend to take up their respective Entitlements of 822,461 Shares in total. Michael Fotios's interest in the Company may increase from 3.24% to 5.04% being a total of 14,047,071 Shares in the Company, assuming Austminex NL and Michael Fotios Family Trust are obligated to fully subscribe for 5,000,000 Shares under the sub-underwriting arrangement with the Underwriter.

8.4.2 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, \$348,779 (including GST where applicable) in 2003 and \$267,790 in 2004 has been accrued 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.

8.5 Interests of Experts

Other than as set out below or elsewhere in this Prospectus, no expert nor any firm in which such an expert is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (i) the promotion or formation of the Company; or
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of securities pursuant to this Prospectus; or
- (iii) the offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, an expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the offer of Shares pursuant to this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$20,000 for services in relation to this Prospectus. In the last 2 years, Steinepreis Paganin has been paid fees of approximately \$36,351 for services to the Company.

Intersuisse Limited has acted as underwriter to the Offer, and Intersuisse Corporate Pty Ltd has acted as the corporate advisors to the Company. These companies will receive the fees being a management fee of 2% of total funds raised pursuant to the Offer plus an underwriting fee of 4% on the amount underwritten of this Prospectus. These companies will also receive a placement fee of 6% of total funds raised in respect of the placement stated in section 4.10 of the Prospectus. In the last 2 years Intersuisse Corporate Pty Ltd and Intersuisse Limited have been paid fees totaling approximately \$140,000 pre GST for corporate advisory services and capital raising services to the Company.

8.6 Consents to Being Named in this Prospectus

Pursuant to section 716 of the Corporations Act, Grant Thornton has given and has not before lodgement of this Prospectus, withdrawn its consent to be named as Auditor of the Company in the Corporate Directory of the Prospectus in the form and context in which they are named. Grant Thornton also consents to the reference to audited reviewed financial

statements of the Company in section 5 of the Prospectus. They have not caused the issue of the Prospectus and take no responsibility for any material in, or omission from the Prospectus (except as otherwise noted in this Prospectus).

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.

Intersuisse Corporate Pty Ltd has given, and at the time of lodging this Prospectus, has not withdrawn its consent to be named as corporate advisor to the Company in the form and context in which it is named. Intersuisse Corporate Pty Ltd takes no responsibility for any part of this Prospectus other than references to its name.

Intersuisse Limited has given, and at the time of lodging this Prospectus, has not withdrawn its consent to be named as underwriters to the Offer in the form and context in which it is named. Intersuisse Limited takes no responsibility for any part of this Prospectus other than references to its name.

8.6 Estimated Expenses of Offer

The estimated expenses of the Offer are as follows:

Underwriting fees	91,271
Listing Costs	8,744
Legals	20,000
Other Advisory	30,000
Printing & Mailing	11,000
	161,015

8.7 Market Price of Fully Paid 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 lodgment of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: 6 cents per fully paid Share on 29 April 2004
Highest: 7.6 cents per fully paid Share on 20 May 2004

The latest available closing sale price of the Company's Shares on ASX prior to the lodgment of this Prospectus with the ASIC was 6.8 cents per Share on 2 June 2004.

8.8 Directors' Consent

Each Director has consented in writing to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.

Michael Fotios
Managing Director

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Stock Exchange Limited (ACN 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means the closing date for receipt of Entitlement and Acceptance Forms under this Prospectus (unless extended).

Company or **TAA** means Tantalum Australia NL (ABN 58 009 127 020).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Commonwealth).

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

Dollar or **\$** means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the application form either attached to or accompanying this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offers of Shares referred to in the "Details of the Offer" sections 4.1, 4.2, 4.3 and 4.4 of this Prospectus.

Option means an option to acquire a Share.

Prospectus means this Prospectus.

Record Date means 5pm (WST) on 15 June 2004.

Share means a fully paid ordinary share in the capital of the Company and where the context permits means the Shares the subject of the Offer.

Shareholders means shareholders of the Company.

Share Registry means Security Transfer Registrars Pty Ltd.

Shortfall means the number of Shares comprising the difference between the Shares, the subject of the Offer, and the number of Shares for which valid applications have been received and accepted by the Company.

Shortfall Application Form means the Shortfall Application Form attached to this Prospectus.

Shortfall Closing Date means 30 June 2004, or such earlier date as determined by the Directors in consultation with the Underwriter in their discretion.

Underwriter means Intersuisse Limited ABN 14 002 918 247.

Underwriting Agreement means the agreement entered into between the Company and the Underwriter on 3 June 2004 whereby the Underwriter agreed to underwrite the Offer.

WST means Western Standard Time.

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. FOR AN EXPLANATION OF YOUR ENTITLEMENTS AND APPLICATION INSTRUCTIONS
PLEASE READ THE PROSPECTUS AND THE BACK OF THIS FORM.

Tantalum Australia NL

ABN 58 009 127 020

SHARE REGISTRY

Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, WA, 6953

RIGHTS ISSUE

Non-renounceable entitlement issue of Shares at an issue price of 6 cents each on the basis of 1 Share for every 10 Shares held at the Record Date.

Closing Date – 5.00pm Western Australian Standard Time on 30 June 2004

NAME

Holder Identification Number (HIN)/

Shareholder Reference Number (SRN):

Entitlement Number:

Sub-Register:

Shares held on Record Date 15 June 2004	Entitlement to Shares on 1 for 10 basis	Amount payable @6 cents per Share for Entitlement	No. of entitled Shares to be taken up (A)	Amount enclosed @ 6 cents per Share (B)
				\$

RETURN OF THIS DOCUMENT WITH THE REQUIRED ACCEPTANCE MONIES WILL CONSTITUTE YOUR ACCEPTANCE OF THE SECURITIES BEING OFFERED
BEING SUBJECT TO RECEIPT OF CLEARED FUNDS.

The entitlement and acceptance form should not be relied upon as evidence of the current Entitlement of the person named in the entitlement and acceptance form

PLEASE ENTER CHEQUE DETAILS	DRAWER	BANK	BRANCH / BSB NO.	AMOUNT
				\$

My/Our contact number(s) in the case of inquiry are: Telephone: (_) _____ Facsimile: (_) _____

NOTE: Cheques should be made payable to "Tantalum Australia NL – Subscription Account", be crossed "NOT NEGOTIABLE" and be forwarded to either Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, WA, 6953 or to Tantalum Australia NL, 13 Mumford Place, Balcatta, WA, 6021 to arrive no later than 5.00 p.m. Western Australian Standard Time on 30 June 2004.

To the Directors, Tantalum Australia NL

I/We the above mentioned, being registered on the 15 June 2004, the holder(s) of ordinary shares in the Company hereby accept the Shares issued in accordance with the enclosed Prospectus;

I/We enclose my/our cheque made payable to "Tantalum Australia NL – Subscription Account", for the amount shown being payment at the rate of 6 cents per Share;

I/We hereby authorize you to place my/our names on the register of shareholders in respect of the number of Shares allotted to me/us and;

I/We agree to be bound by the Constitution of the Company.

Issuer Sponsored Holders, if a change of address is to be recorded, please complete the box below.

New Address: _____

Signature(s): _____ Date: _____

CHESS Holders, please send any change of address or correction to shareholder's name to your sponsoring participant

OFFER CLOSES 5.00 P.M. WESTERN AUSTRALIAN STANDARD TIME, 30 JUNE 2004

EXPLANATION OF ENTITLEMENT

1. The front of this Form sets out the number of Shares which you are entitled to accept. Your entitlement has been calculated on a 1 for 10 basis with fractions rounded up to the nearest whole Share.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each Share is 6 cents.

You may accept your entitlement in full (subject to there being a short fall and allocation by the Underwriter) by completing the Entitlement and Acceptance Form.

INSTRUCTIONS ON COMPLETING THIS FORM

1. Applications of Shares must be accompanied by payment in full of the total price of \$0.06 per Share.
2. Payments will only be accepted in Australian currency and as follows:
 - bank cheque drawn on and payable at any Australian bank; or
 - personal cheque drawn on and payable at any Australian bank.
3. Cheques or bank cheques should be made payable to “**Tantalum Australia NL – Subscription Account**”, and crossed “**Not Negotiable**”. Shareholders must not forward cash. Receipts for payment will not be issued or forwarded.
4. An appropriate reply paid envelope is enclosed with the Prospectus.
5. Acceptances must be received by either Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, WA, 6953 or Tantalum Australia NL, 13 Mumford Place, Balcatta, WA, 6021 to arrive no later than 5.00 p.m. Western Australian Standard Time on 30 June 2004.
6. Before completing this Form, the Prospectus should be read carefully.
7. This Form will not be valid if another name is substituted for the name printed on the Form.

ENQUIRIES

Any enquiries as to how to deal with this Form can be directed to the Company's Share Registry.

SHARE REGISTRY

Security Transfer Registrars Pty Ltd,

PO Box 535, Applecross,

WA, 6953

Telephone (08)9315 2333 Facsimile: (08)93152233

SHORTFALL APPLICATION FORM

TANTALUM AUSTRALIA NL

A.B.N. 58 009 127 020

I/We declare that this application is completed according to the declarations/appropriate statements and in accordance with the instructions and agree to be bound by the Constitution of TANTALUM AUSTRALIA NL. I/We agree to take any number of Shares equal to or less than the number applied for. I/We authorise the Directors to complete or amend this Application Form where necessary to correct any errors or omissions.

NOTE: Return of this Application Form with your cheque, bank draft or transfer of funds directly to the Company's bank account (subject to prior arrangement) for the application monies will constitute your offer to subscribe for Shares in the Company. No signature is required. You should read the Prospectus before completing this Application Form.

USE BLOCK LETTERS

Print your name

TITLE	GIVEN NAMES	SURNAME	Tax File Number(s) or exemption category		

TITLE	JOINT APPLICATION No.2 OR ACCOUNT DESIGNATION			

ADDRESS

SUBURB/TOWN	STATE	P/CODE

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME

PID	HIN

I/WE APPLY FOR	Shares and lodge application monies in full of 6 cents per Share	Application Money	Date
		A\$	

Cheque Details DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE

Cheques should be made payable to "TANTALUM AUSTRALIA NL- SUBSCRIPTION ACCOUNT".

INSTRUCTIONS TO APPLICANTS

Please complete all relevant sections of the Shortfall Application Form using BLOCK LETTERS. If you have any questions on how to complete this Shortfall Application Form please telephone Mr Michael Fotios on (08) 6241 1888.

Before completing this Shortfall Application Form, applicants should read the Prospectus to which it relates.

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

Forward the Shortfall Application Form together with your remittance for application money at 6 cents per Share subscribed so as to reach:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

or

TANTALUM AUSTRALIA NL
13 Mumford Place
BALCATT WA 6021

by 5.00pm (WST) before 30 June 2004.

Only cheques and/or bank drafts in Australian currency and drawn or payable on a bank within Australia should be sent, made payable to *"TANTALUM AUSTRALIA NL - SUBSCRIPTION ACCOUNT"* and crossed *"Not Negotiable"*.

A receipt for payment will not be forwarded.

Personal cheques drawn on overseas banks in Australian Dollars or in a foreign currency will not be accepted. These will be returned and the application deemed invalid. Payments can be made direct to the Company's bank account with prior arrangement.