

TANTALUM

A U S T R A L I A N L



21 September 2004

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

By ASX Online Transmission

Dear Sir,

Please find attached ASX/Media release regarding RC drilling results at the Mt Deans Tantalum project.

Yours faithfully

Peter Farrah
Company Secretary



21 September 2004

ASX ANNOUNCEMENT/MEDIA RELEASE

MT DEANS TANTALUM PROJECT
STRONG DRILLING RESULTS – FEASIBILITY CONTINUES

Tantalum Australia NL ("TAA") is pleased to announce that it has received assay results that confirm the intersection of a significant zone of pegmatites in Reverse Circulation (RC) drilling at its Mt Deans project, 7 kilometres south of Norseman in Western Australia. This intersection confirms the extensions to the pegmatite intersected in RC drilling during March.

Inclined reverse circulation drill holes were completed in the Western Lode system ("WLS") at Mt Deans to follow-up a broad intersection of pegmatite that was made in **MDC 162 (72 metres at 324 g/t Ta₂O₅ from 0-72metres down hole) the results of which were announced to the market on 5 May 2004.**

Assay results have now been returned for the RC programme and include the second broad pegmatite intersection in a zone containing two pegmatites from 13 to 26 metres and 36 to 97 metres down-hole in MDC 182 located approximately 60 metres northeast of MDC 162.

The better intercepts include:

15 metres	@	244 g/t Ta ₂ O ₅
61 metres	@	177 g/t Ta ₂ O ₅
6 metres	@	371g/t Ta ₂ O ₅
4 metres	@	339 g/t Ta ₂ O ₅
13 metres	@	213 g/t Ta ₂ O ₅
9 metres	@	209 g/t Ta ₂ O ₅

Significant results are listed in Table 1(attached).

Surface geological mapping of pegmatite outcrops in the WLS has confirmed two trends of pegmatite. One set oriented in a northwesterly direction and another set of veins that are almost at right angles trending northeasterly. It is the northeasterly trending set that has returned the recent broad intercepts and further drilling is required to accurately determine the vein geometry. Similar NW/NE trending pegmatite veins occur in the main (Eastern Lode System – "ELS") zone of Mt Deans giving the Company confidence in relation to consistency and scale of the mineralized system.

Numerous pegmatites defined by the mapping are yet to be tested by drilling.

Follow up Drilling

A 2000 metre RC drilling programme has been designed to:

- Further test the WLS
- Infill drilling in the ELS to increase the resource estimate to the measured category in areas identified for initial pit designs.

Drilling is expected to be completed during October and November.

Feasibility Study

As a result of the significant discovery in the WLS the feasibility study timeframe has been extended to incorporate the assessment of this near surface potentially open pittable mineralisation. The study timetable has now been extended to allow completion during the December quarter and includes:

- Further RC and diamond drilling
- A new resource estimate incorporating past and proposed drilling
- Preliminary pit optimisation.
- Metallurgical test work: Three 300 kilogram samples have been taken from pegmatites in the Western Lode System and transported to TAA's Balcatta facility for detailed metallurgical test work scheduled to be completed during November.
- Engineering study and cost estimates of utilising the common infrastructure at the company's Norseman CIP processing plant, which includes crushing, grinding, tailings storage facility, process water supply and dams.)

The recent increases in the price of tantalum pentoxide and the market demand projections forward into 2005/2006 are providing a major impetus for the development of the Mt Deans project. TAA's strategic partners/customers have shown significant interest in the development of Mt Deans and discussions are continuing with respect to future off take.

The availability of the existing infrastructure at Norseman should enable a lower cost start up of operations following a favourable feasibility assessment and the conclusion of the off take agreements mentioned above.

For further information contact:

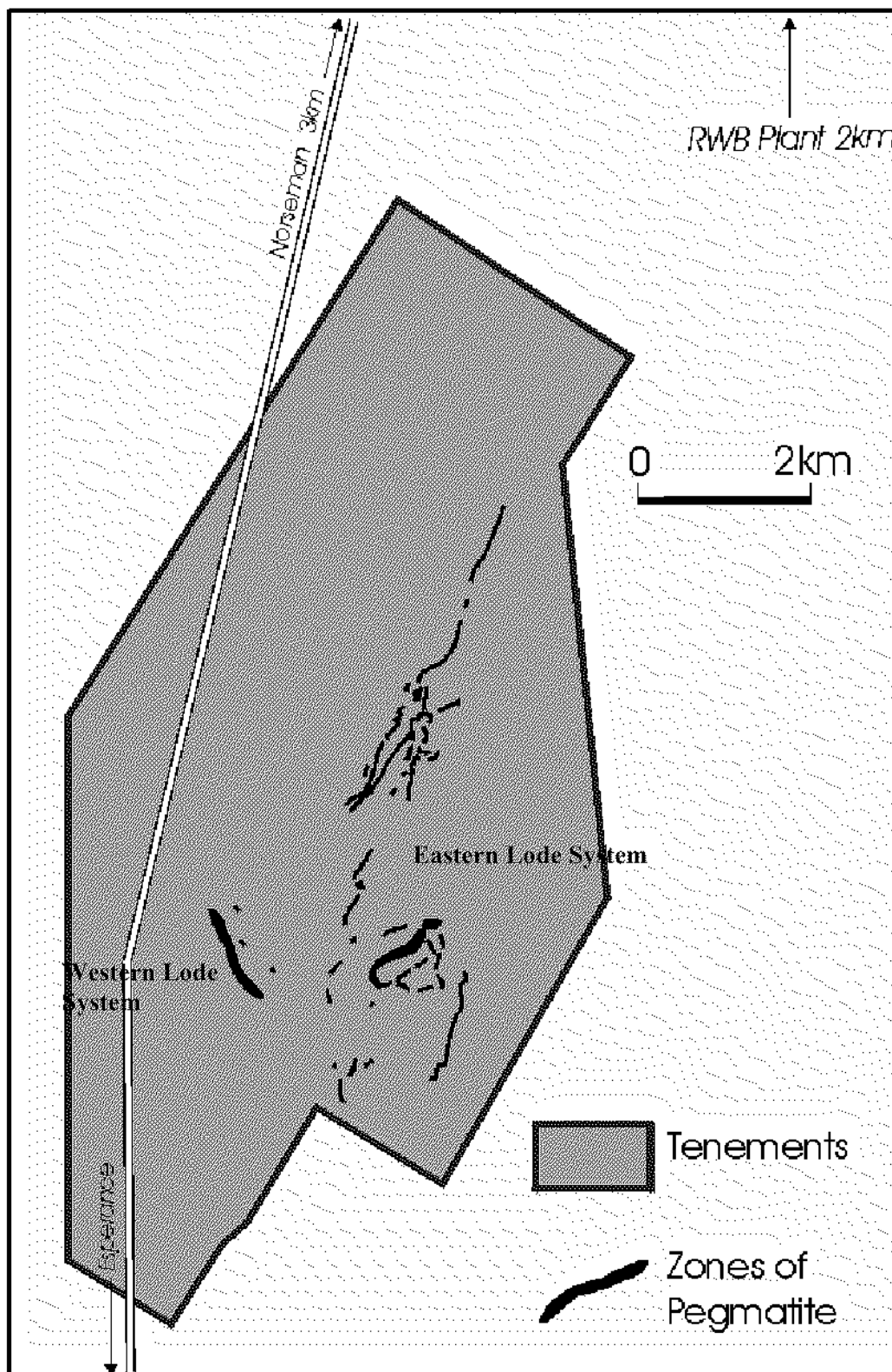
Michael Fotios
Managing Director

(08) 6241 1888

Imants Kins
Manager Business Development

Table 1: Significant Intercepts – Mt Deans

Hole No	MGA North	MGA East	Azimuth	Dip	Hole Depth	Interval	Intercept (M)	(g/t) Ta ₂ O ₅
175	6425000	384060	270°	-60°	63m	8-14 59-61	6 2	371 310
176	6425000	384080	270°	-60°	80m	20-24	4	166
177	6425040	384060	270°	-60°	60m	18-22	4	232
178	6425040	384090	270°	-60°	90m	36-38	2	155
179	6425040	384110	270°	-60°	80m	47-49	2	190
180	6425080	384060	270°	-60°	60m	6-10 26-31	4 5	339 194
181	6425080	384080	270°	-60°	80m	38-41	3	215
182	6425080	384105	270°	-60°	99m	13-26 36-97 36-51 76-83	13 61 15 7	213 177 244 240
184	6425077	384081	090°	-60°	33m	17-27	10	200
185	6425040	384055	090°	-60°	21m	5-15	10	231
186	6424980	384010	090°	-60°	23m	10-11 15-17	1 2	375 118
187	6425080	384045	090°	-60°	33m	16-18 20-29	2 9	330 209



MT DEANS TANTALUM PROJECT – Location Plan