TANTALUM
AUSTRALIA NL

18 May 2006

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

By ASX Online Transmission

Dear Sir,

Please find attached ASX/Media release regarding Erayinia JV – Update.

Yours faithfully

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Company Secretary

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18 May 2006 ASX CODE: TAA

ASX ANNOUNCEMENT /MEDIA RELEASE

UPDATE ON ERAYINIA PROJECT: STAGE 3 EXPLORATION PROGRAM HAS COMMENCED.

With the recent successful capital raising of $2,050,000 Tantalum Australia NL has accelerated and expanded the exploration of the indicative base metal Volcanic Massive Sulphide (VMS) prospect at Erayinia located 130 km ESE of Kalgoorlie Western Australia. The project is a JV with Great Gold Mines.

Contracts have been signed for the execution of:

1. The establishment of the grid system of base line and cross lines (work now completed) to facilitate the on ground electromagnetic survey, aerial magnetometry survey and diamond /RC drilling.

2. Above ground TEM survey over an area of 2.4 km x 0.7 km. *This work is planned to commence at the end of May 2006 and it is likely results will be available by the end of June 2006.* The objective here is to investigate the six other 'bullseye' magnetic anomalies to determine if electromagnetic conductors are associated with them. This work will assist in planning the next stage of drilling. The first two stages of drilling have been focused at the location of the coincidence of a magnetic and electro magnetic anomalies. (i.e. E1 anomaly)

3. Airborne geophysical exploration of the entire length (approximately 28 kms x 3 kms) of the tenement E 28/1228 by aerial photography and magnetometry to aid geologic mapping and the location of further possible 'magnetic bullseyes'. This program will gather magnetromic, radiometric and digital terrain data. To date the magnetic survey has been restricted to a small part of the tenement that identified the existing seven magnetic anomalies. (See the attached plan.) This covers only approximately 4 kms in length so the new survey will cover seven times the existing surveyed area. The location of magnetic anomalies will be the precursor to planning EM work and the development of a further expanded drilling program. *This survey work is planned to be undertaken in mid July 2006. Results are expected to be available by mid August 2006.*

4. *A further 1000m of RC holes and two diamond holes are planned to be drilled by the end of July 2006. Results from this drilling program will progressively be available from the end of July 2006.* This work will be a continuation of the successful exploration to date at the E1 prospect. The RC drilling objectives are to

test south extensions, and to confirm conceptual model of a copper rich feeder zone to E1. The diamond holes to depth of 300 m (deepest holes to date) are to provide core samples for petrology, geochemistry and geologic structures. Mineragraphy and petrography will, in part, be important in confirming the VMS nature of the mineralisation.

Further up dates on progress at Erayinia will be provided as new information becomes available.

For further information please contact

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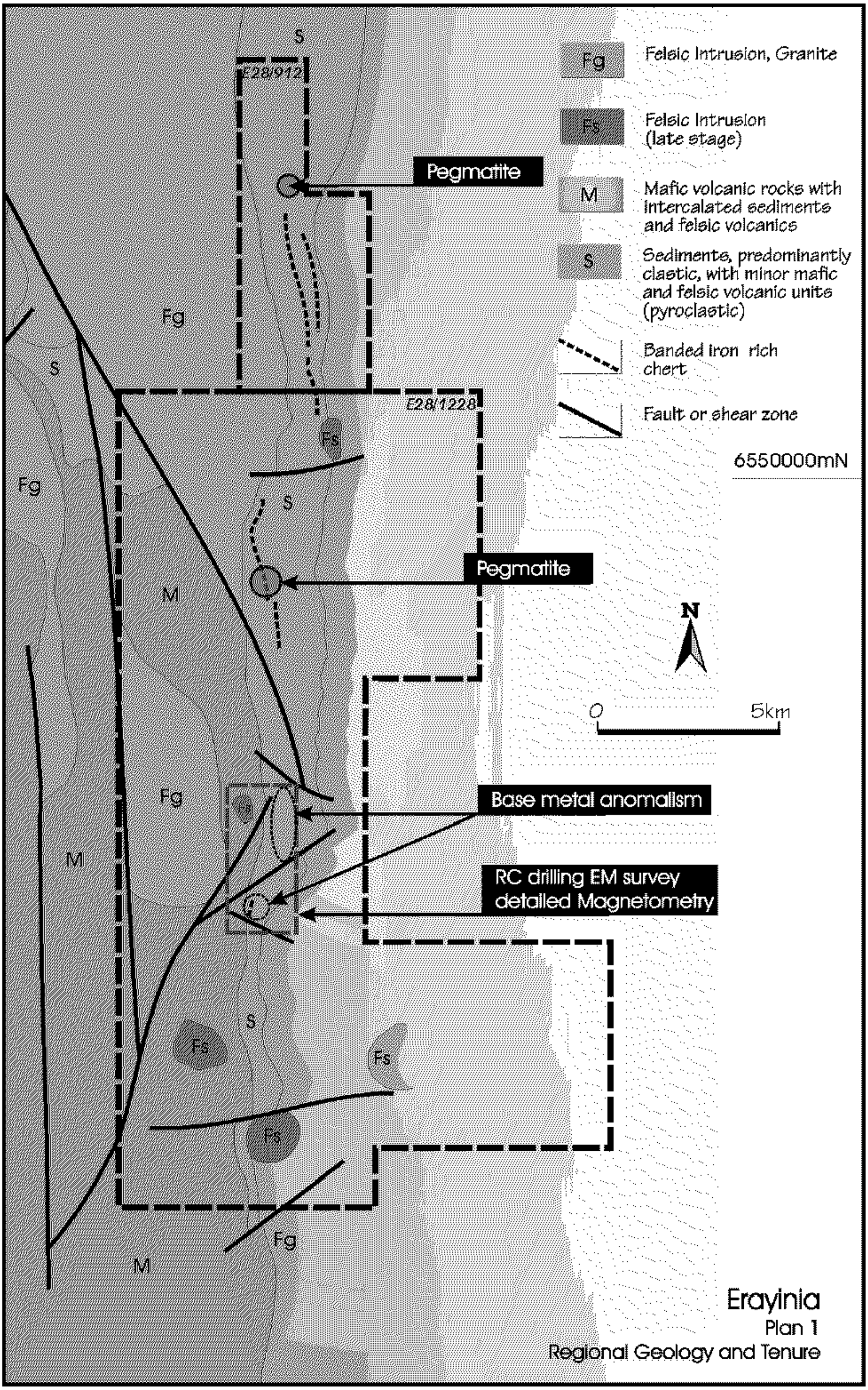
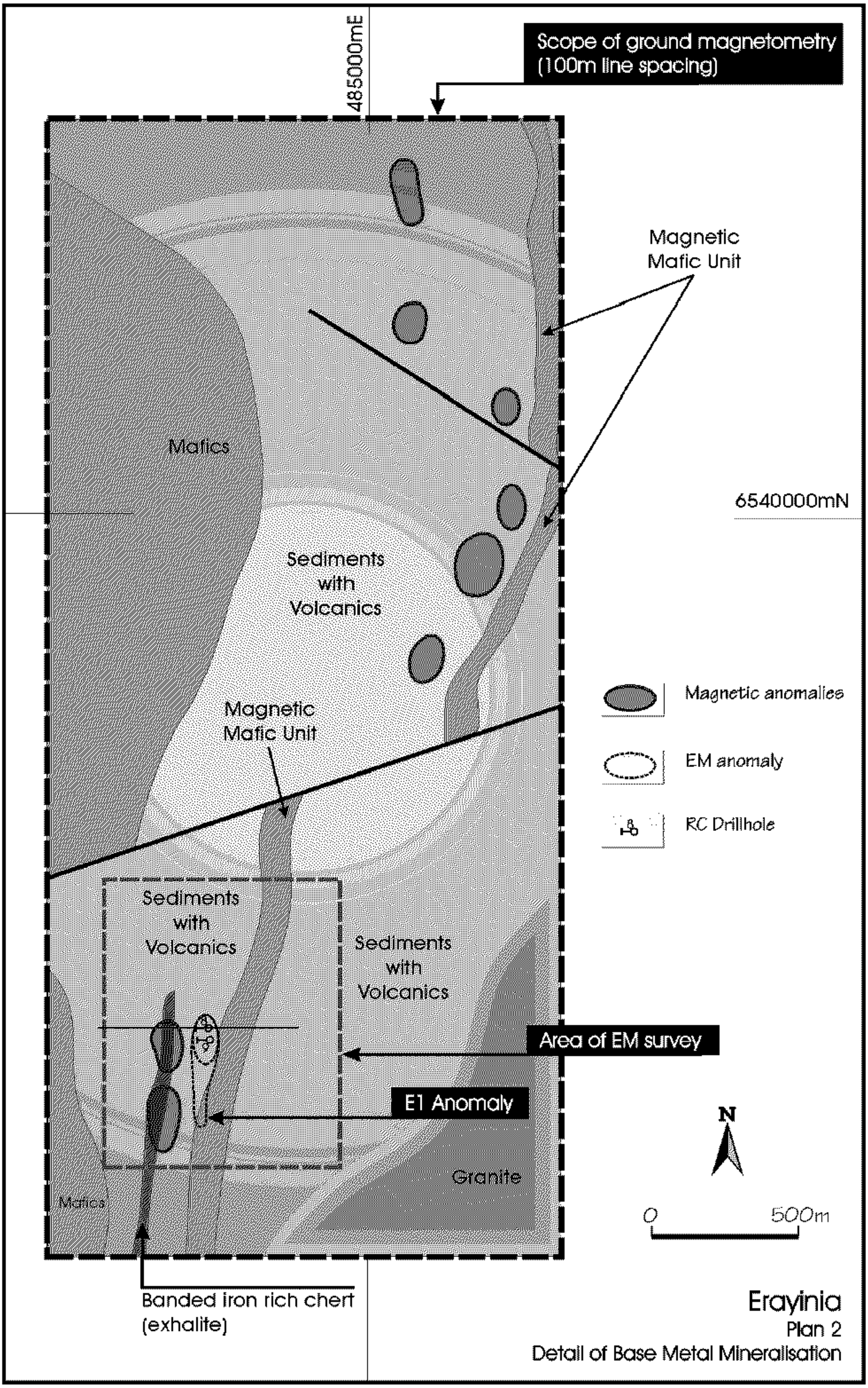

Fg
Felsic Intrusion, Granite
Fs
Felsic Intrusion
(late stage)
M
Mafic volcanic rocks with
intercalated sediments
and felsic volcanics
S
Sediments, predominantly
clastic, with minor mafic
and felsic volcanic units
(pyroclastic)
Banded iron rich
chert
Fault or shear zone
6550000mN
N
0
5km
E28/912
E28/1228
Pegmatite
Pegmatite
Base metal anomalism
RC drilling EM survey
detailed Magnetometry
Erayinia
Plan 1
Regional Geology and Tenure


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