

18 March 2003

Company Announcements Office  
 Australian Stock Exchange Limited  
 20 Bond Street  
 Sydney NSW 2000

Dear Sir / Madam

**PROJECT SCOPING STUDY – NPV A\$212 MILLION**

On 22 March 2002 Gippsland Limited ("Gippsland" or "the Company") announced that the engineering group Lycopodium Pty Ltd ("Lycopodium") would undertake the Bankable Feasibility Study ("BFS") for the Company's 40 million tonne tantalum – feldspar deposit situated in Egypt ("Abu Dabbab Project").

As a consequence of the metallurgical testwork undertaken by Lycopodium, the magnitude of the Abu Dabbab Project has expanded considerably, especially with respect to the production of micronised ceramic grade feldspar which has been increased from an estimated 500,000 tpa to 800,000 tpa. The expanded BFS is progressing well whilst continuing to provide most encouraging results.

As a result of the expanded operation, the Company determined the BFS should include a pilot plant testwork programme as announced to the market on 31 January 2003. This work, which shall take place in Australia, will be based on a 40 tonnes bulk sample which is currently being sourced from the Abu Dabbab Project.

In view of the above development, Gippsland instructed Lycopodium to undertake an interim Scoping Study to enable the Company to consider the ramifications of the expanded operation.

<u>Scoping Study Results</u>	
Initial Mine Life (Conservative)	21.5 years (Project Life 30+ years)
Ore Treated per Annum	1 million tonnes
Production per Annum	340,000 lbs tantalum pentoxide (Ta <sub>2</sub> O <sub>5</sub> ) 985 tonnes tin (Sn) 800,000 tonnes ceramic grade feldspar
Capital Cost	US\$41.5 million
Revenue over 21 year period	US\$966 million
Average Annual Revenue	US\$44.79 million
Average Annual Operating Costs	US\$28.76 million
Operating Margin	US\$345.65 million over 21 years or A\$27 million per annum
Project NPV@6%	US\$127.11 million or A\$211.8 million
IRR	36%
Payback Period	3 years



The Scoping Study takes into account royalty payments to the Egyptian Government and is based upon conservative mining and process recovery efficiencies, and the following product market prices.

Tantalum (Ta <sub>2</sub> O <sub>5</sub> )	US\$47.30/lb <sup>(A)</sup>
Tin metal ("Sn")	US\$3,954/t
Feldspar	US\$31/t CIF Italian port

The Scoping Study does not take into account revenue resulting from the sale of niobium pentoxide (Nb<sub>2</sub>O<sub>5</sub>).

Gippsland has determined that the project will be strongly cash-flow positive at Ta<sub>2</sub>O<sub>5</sub> prices of US\$30/lb and is viable based upon the sale of Ta<sub>2</sub>O<sub>5</sub> alone.

The Abu Dabbab Project is owned 50% by the Egyptian Geological Survey Authority and 50% by Tantalum Egypt Pty Ltd, a 100% owned Gippsland subsidiary and contains the following JORC Code compliant resources:

- Measured Resources: 12 Mt at 274 ppm Ta<sub>2</sub>O<sub>5</sub>, 126 ppm Nb<sub>2</sub>O<sub>5</sub> & 0.13% Sn
- Indicated Resources: 2.1 Mt at 260 ppm Ta<sub>2</sub>O<sub>5</sub>, 90 ppm Nb<sub>2</sub>O<sub>5</sub> & 0.16% Sn
- Inferred Resources: 26 Mt at 240 ppm Ta<sub>2</sub>O<sub>5</sub>, 110 ppm Nb<sub>2</sub>O<sub>5</sub> & 0.06% Sn
- Total All Categories: 39.9 Mt at 252 ppm Ta<sub>2</sub>O<sub>5</sub>, 116 ppm Nb<sub>2</sub>O<sub>5</sub> & 0.089% Sn.

RJ (Jack) Telford  
Executive Chairman

Note: In accordance with Listing Rule 5.10 of the Australian Stock Exchange Limited, the geological information in this report that relates to mineral resources and ore reserves is based on information compiled by Gippsland Director Dr John Chisholm, who is a Fellow of the Australasian Institute of Mining and Metallurgy, with over 25 years experience in the mining industry.

(A) Metal Bulletin Research – London 22 October 2002.  
Metal Bulletin Research – London have predicted a Ta<sub>2</sub>O<sub>5</sub> price average of US\$47.30/lb for the period 2002 – 2010.