CONSOLIDATED MINERALS LIMITED

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CONSOLIDATED MINERALS' SHAW RIVER TENEMENTS TO FORM PART OF NEW PILBARA IRON ORE VENTURE

Consolidated Minerals Limited (**ASX**: **CSM**, **AIM**: **CNM**, **FSE**: **CMN**) ("Consolidated") today announced that it has reached agreement with newly-formed BC Iron Limited ("BC Iron") for BC Iron to farm-into 100% of Consolidated's Shaw River Iron Ore tenements in Western Australia.

Consolidated's Shaw River tenements comprise 10 exploration licences located 70km north of its Mindy Mindy iron ore project. As part of a three-way transaction, BC Iron has also reached agreement with ASX-listed Alkane Exploration Ltd and the Randolph Syndicate to farm-into their adjoining tenement holdings.

BC Iron is planning a $6 million Initial Public Offering (IPO) and listing on the Australian Stock Exchange through a Prospectus which is scheduled to be lodged in early November 2006. On listing, Consolidated will retain a 27.78% interest in BC Iron, with Alkane holding 16.67%. The transaction will enable Consolidated to focus on continuing to pursue development options for its Mindy Mindy Project while at the same time unlocking the potential value of the Shaw River tenements.

The iron-bearing pisolite in the region is hosted within the Bonnie Creek, Nullagine River and Shaw River palaeo-channel systems, which straddle both Consolidated's and Alkane's tenements. The consolidation of the two tenement groups will facilitate a coordinated regional approach to exploration of the channel iron systems, and enhance the potential for eventual development of the assets.

BC Iron will have a combined 1,500km^2 tenement holding including all of the Bonnie Creek palaeo-channel system and most of the Shaw River and Nullagine River systems, and will pursue focused exploration programs targeting the delineation of iron ore mineralisation in palaeo-channels extending over a cumulative 90km strike length.

As part of the transaction, Consolidated's General Manager – Group Services, Garth Higgo, will join the Board of BC Iron.

Commenting on the transaction, Consolidated's Managing Director, Rod Baxter, said it represented a sensible enhancement of the development potential of these adjoining iron ore exploration interests in the East Pilbara region. "With our principal focus on the Mindy Mindy asset, this transaction will increase the potential for a commercial discovery to be made on the Shaw River tenements through a focused and coordinated exploration approach via BC Iron. Consolidated will retain significant exposure to future exploration success on these tenements through its 28% shareholding in BC Iron, with the added benefit of gaining exposure to the adjoining assets previously held by Alkane Exploration."

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