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ASX RELEASE

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Carnegie Corporation (CNM) proves further high grade find in Africa

Perth-based mining and technology company, Carnegie Corporation Ltd, is pleased to announce positive results from its heavy minerals drilling exploration program in Senegal, West Africa (a 50/50 joint venture with Astron Limited).

A further prospect of high-grade heavy minerals (see detailed technical results following) is now indicated by analysis of samples obtained from grid drilling at Niafarang. These drill results show a mineralised zone with elevated heavy mineral grades extending over almost the entire length of the Niafarang dune for about 6 km, with its width varying from 40m to 270m. Niafarang represents a small portion of Carnegie's 750 sq km exploration licence area in Southern Senegal.

Independent laboratory analysis undertaken by Western GeoLabs reveal 40 percent of sand samples graded greater than one percent heavy minerals with the weighted average being about 13 percent and having a very low slime content. Initial X-Ray Fluorescence spectrometry (XRF) and mineralogy analysis show the heavy minerals to include approximately 62 percent ilmenite, 14 percent zircon, 12 percent altered ilmenite and leucoxene, 2 percent of rutile.

Carnegie has already successfully explored, trial mined/exported product, and is currently establishing full-scale mining of a similar deposit located 4km away in The Gambia (see CNM ASX release Jan 31, 2006).

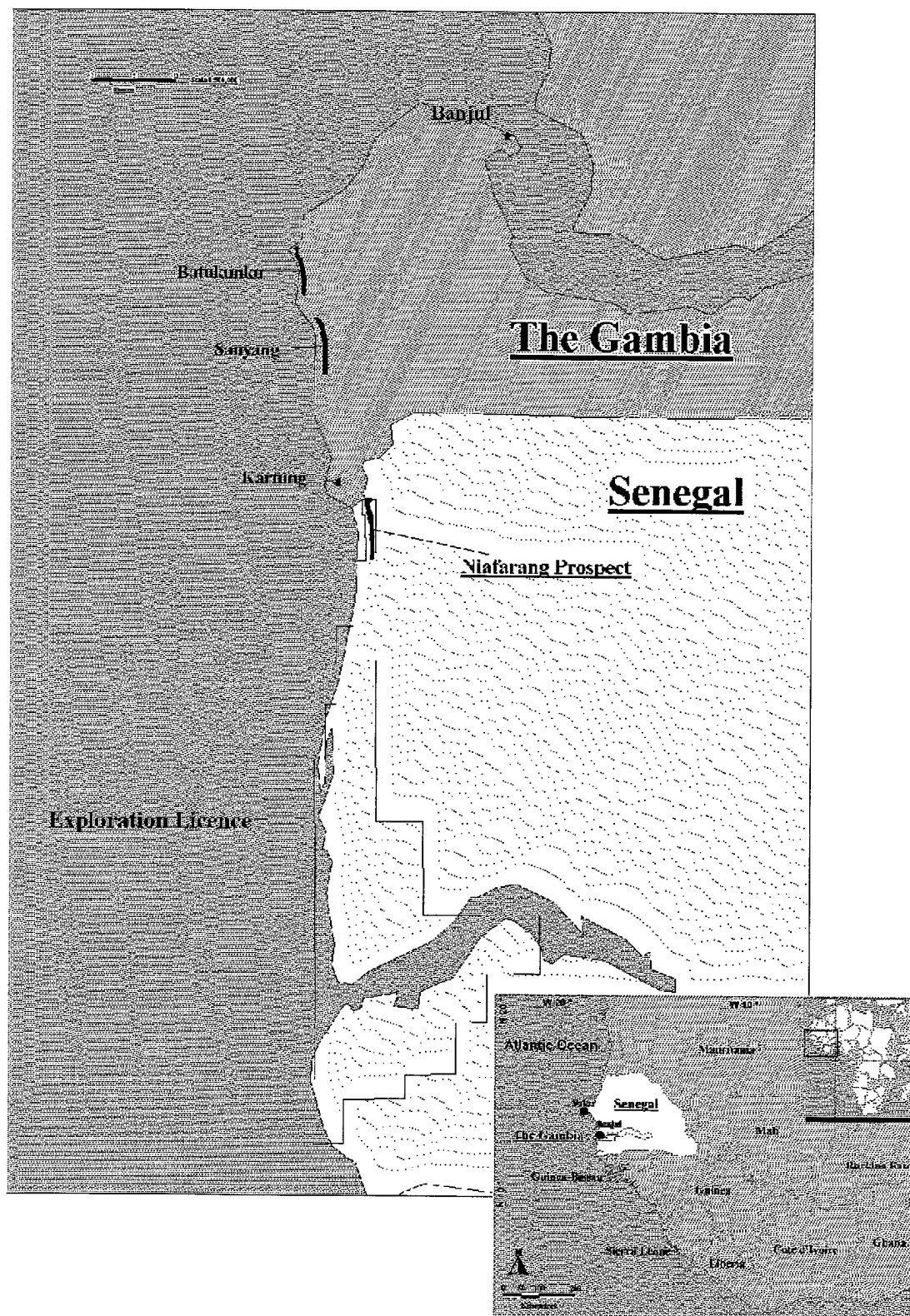
Carnegie Managing Director Alan Hopkins said: "The positive exploration results in Senegal come on the heels of our successes in neighbouring The Gambia where we are poised to begin mining".

Detailed evaluation of the nearby Niafarang Senegalese prospect may provide the opportunity to expand mining operations across the combined Gambian/Senegalese holdings. Further successful exploration of the large & so far untested targets further south in Senegal could significantly impact on the scale of these cross border operations.

"The Senegal prospects begin less than half a dozen kilometres away from Carnegie's Gambian mining operation, so the logistical benefits of operations in both locations are striking."

“For over fifty years, this area has been known to contain heavy minerals but we have done five years of hard work to prove the deposits and in The Gambian case, trial mine and export product. We are optimistic about moving in the same direction in Senegal,” Mr Hopkins said.

“In the meantime, Carnegie has contracted Perth-based UTS Geophysics to undertake in the next quarter an ultra-detailed aerial magnetic and radiometric survey of the entire Senegal licence. This programme should assist prioritise further drill targets in the remaining large untested parts of the licence area.”



Detailed Technical Results:

Carnegie has received results of heavy mineral analysis of drill samples collected during the November - December 2005 grid drilling programme at the Niafarang mineral sands prospect that is located within the Company's exclusive exploration licence in Southern Senegal.

A total of 144 drill holes were drilled in 2005 along a 200 m by 40 m grid that covers the entire Niafarang dune. Carnegie used portable sets of 10 cm diameter hand augers above water table and casing/bailing equipment below the water table to sample dune sand at 1 m intervals down to the clay base of the dune. The average thickness of the dune sand layer is about 5 m.

938 drill samples were split and reduced in the field to approximately 3 – 4 kg using riffle splitters and standard quartering and further reduced after drying to approximately 250 g using a laboratory riffle splitter before shipping them for assaying at reputable independent laboratories in Perth.

More than 40 percent of all sand samples contain >1 percent heavy minerals (HM), the weighted average grade for these samples being about 13 percent HM and the average slimes content of 1.5 percent. As shown by the drilling results, a mineralised zone with elevated HM grades extends over almost the entire length of the Niafarang dune for about 6 km and its width varies from 40 to 270 m. The highest grades are identified at the eastern part of the dune where heavy mineral accumulations were originally discovered by cursory shallow drilling in the 1950s.

At this stage, X-Ray Fluorescence spectrometry (XRF) and mineralogy analytical results are available only for the first 10 drill holes drilled in October 2005 at a 2 km section in the eastern part of the dune. According to these preliminary results, the heavy minerals include approximately 62 percent of ilmenite, 12 percent of altered ilmenite and leucosene, 14 percent of zircon and 2 percent of rutile as well as about 9 percent of gangue minerals (staurolite, schorl and kyanite).

Forthcoming complete XRF and mineralogy results as well as computer modelling of the drilling data will be used by Carnegie to further evaluate the Niafarang prospect and to plan follow-up exploration that could include in-fill drilling later this year. However, the available results have clearly confirmed its exploration potential and showed mineralisation extending beyond the lateral and depth limits of the historical drilling.

The Niafarang prospect is considered a priority exploration target because it is located immediately south of the Gambian border and only about 4 km from the Gambian Kartung deposit, which is included in the Mining Licence granted to Carnegie by the Gambian Government in January 2006.

In addition to the Niafarang prospect, during the first licence year in 2005-2006, Carnegie's exploration team conducted general geological reconnaissance and identified a number of exploration targets over the entire licence area – including some extensive dune areas as well as historical heavy mineral occurrences discovered along the coastal strip north and south of the Casamance River in the 1920s – 1950s. Carnegie will continue an aggressive exploration programme to test these targets. The Company has commissioned Perth-based UTS Geophysics to conduct an ultra-detailed fixed-wing airborne magnetic & radiometric survey of the entire licence area in the first half of 2006. This survey is aimed to: i) prioritise dune areas for further test drilling; ii) identify possible less obvious exploration targets that could include some concealed ancient strandlines.

For more information:

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The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Dr Boris Matveev who is a Member of The Australian Institute of Geoscientists. Dr Boris Matveev is a fulltime employee of the Company and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Dr Boris Matveev consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.