

27 April 2006

Companies Announcements
Australian Stock Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

Report for the Quarter Ended 31 March 2006

Part A - Astron Donald Project
Part B - Astron Carnegie Joint Venture

Part A – Astron Donald Project

Section 1: Production and Development Activities

Total expenses have been incurred as follows:

Production Activities	March Qtr 2006	YTD 2006
	Nil	Nil

Development Activities	March Qtr 2006	YTD 2006
	469,969	882,598

a. Production

During the quarter the Donald project did not conduct any production activities.

b. Development

During the quarter the company incurred development expenditure summarized as follows:

1.0 Metallurgical Test Work

1.1 Wet Circuit Development

Confirmation test work is underway. A final report including detailed modeling is expected before June 2006.

Section 1b: Development Activities (cont)

1.0 Metallurgical Test Work (cont)

1.3 Bulk Mineral Separation

- Bulk material produced from confirmation test work, will be used to further develop and design the Mineral Separation Plant.
- A Bulk Sample of HMC produced from the Mildura pilot plant has arrived in China and will be tested at Hainan China.

1.4 Product Use

Five kilograms of special zircon produced from testing in Australia has been sent to China for product testing.

2.0 Hydrogeology

2.1 Water Exploration, Pump Tests and Water Analyses

A preliminary water drilling program was completed during January 2006. This program focused on establishing the extent of the Renmark aquifer and to confirm and improving geological data used for the groundwater model. In order to fully evaluate the potential of the deep lead as a water resource further drilling and pump tests over an extended period are planned for the next quarter.

3.0 Geology and Mining

3.1 Geology and Resource Estimation

AMC Consultants completed their evaluation of the mineral resource which was released to ASX on 12 January 2006.

3.2 Mine Plan Design

A block model has been established so that an initial pit shell outline, schedule and a mine plan can be prepared. This data will be used to establish the area for mine start-up and will form the basis for optimization of mining method.

4.0 Environmental Effects Study ('EES')

4.1 The EES Draft Assessment guidelines for the Project have been advertised, with submissions closing on the 21st of April 2006.

Section 1b: Development Activities (cont)

5.0 Line Surveys

5.1 Initial Fauna and Flora line surveys have been completed.

6.0 Engineering

6.1 Selection of an engineering company to perform the detailed engineering design for the wet concentration plan is underway.

7.0 Infrastructure

7.1 Power

A high level scoping study for the supply of a 55km 66kV power supply line from Horsham has been completed.

7.2 Rail

Several options for rail transport of the product to Port are currently being evaluated.

8.0 Administration

8.1 The Company's subsidiary Donald Mineral Sands Pty Ltd has opened an office at Minyip.

9.0 Property Acquisition

9.1 The Company has acquired a property as part of the development of the Project.

Section 2: Exploration Activities

The Donald project did not undertake exploration activities during the period.

Part B – Astron Carnegie Joint Ventures

1. MINERAL SANDS, THE GAMBIA - *West Africa (50 /50 between Astron Ltd & Carnegie Corporation Limited)*

In January 2006 the Gambian Government formally provided to Carnegie the Mining License on the development of the Sanyang, Batukunku and Kartung mineral sands deposits. The License was signed by His Excellency, President Jammeh of The Gambia.

Carnegie subsequently signed an Offtake Agreement with the Company's 50% project partner Astron Ltd for the Gambian project's entire zircon & rutile production at world market prices. The Gambian mineral sands project is forecast to produce approx. 20,000 tonnes of zircon / rutile non magnetic concentrate per annum for export to China.

The JV partners also signed a Shareholder Agreement that established a jointly owned company incorporated in The Gambia as a business vehicle for running future mining operations and adopted a Target Business Plan detailing an initial targeted operational programme and budget for the Gambian project.

The granted Mining License as well as the signed Offtake and JV Shareholder Agreements have cleared the way for commencing the mining operations in The Gambia.

The agreed JV operational programme involves an incremental expansion of the mining and processing operations. Preparations are currently under way to start the mining operations in the northern part of the Sanyang deposit where dredging trials were conducted in 2004. It is also planned to start dry mining at the Batukunku Deposit as soon as the Sanyang operations are established. It is proposed that the small southern Kartung Deposit be mined last after the completion of a planned resource extension exploration programme near the deposit in The Gambia and also across the border at the Company's exploration properties in Southern Senegal.

The first group of Chinese dredging specialists is expected to arrive in The Gambia during the June quarter to recommission the existing suction dredge at the former Sanyang trial site. Once this is achieved, additional ladder and suction dredges already delivered to site will be commissioned. We are currently negotiating with Gambian surveying and earth moving companies and expect to soon award contracts on the demarcation of the Mining License areas at Sanyang, Batukunku and Kartung and on upgrading roads and site preparations at Sanyang. The Gambia Department of Water Resources has been commissioned for drilling an additional water supply borehole at Sanyang.

For further information on this project please refer to the company's website www.carnegiecorp.com.au

2. MINERAL SANDS, Senegal - West Africa (50 /50 JV with Astron Ltd)

In the March quarter, Carnegie received results of heavy mineral analysis of drill samples collected during the November - December 2005 grid drilling programme at the priority Niafarang prospect that is located immediately south of the Gambian border and only about 4 km from the Gambian Kartung deposit.

A total of 144 drill holes were drilled in 2005 along a 200 m by 40 m grid covering 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.

X-Ray Fluorescence spectrometry (XRF) and mineralogy analytical results are available 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 leucoxene, 14 percent of zircon and 2 percent of rutile as well as about 9 percent of gangue minerals (staurolite, schorl and kyanite).

The available results have confirmed the exploration potential of the Niafarang prospect and showed mineralisation extending beyond the lateral and depth limits of the historical drilling. Carnegie will use forthcoming complete XRF and mineralogy results as well as computer modeling of the drilling data to further evaluate this prospect and to plan follow-up exploration that could include in-fill drilling after the end of wet season.

In February 2006, Carnegie drilled 10 additional holes to preliminary explore a possibility of extending future drilling along the coast south of the Niafarang dune as well as to test some remote sensing targets.

Two holes drilled and sampled at 1 m interval in the eastern part of the coastal dune system (approximately 150 m and 450 m south of the Niafarang dune) intersected a surface sand layer: 7.5 m thick at the weighted average grade of about 5% HM and 3 m thick at about 10% HM respectively. This indicates that the mineralised zone identified at the Niafarang dune could probably be extended to the south.

During the March quarter, Carnegie's exploration team also conducted airborne reconnaissance over some extensive coastal dune areas within the license area. The Company has commissioned Perth-based UTS Geophysics to conduct an ultra-detailed fixed-wing airborne magnetic & radiometric survey of the entire license area during the June quarter. This survey is aimed to: i) prioritize dune areas for further test drilling; ii) identify possible less obvious exploration targets that could include some concealed ancient strandlines.