

6 June 2007

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

The Gambia and Senegal Update

Please find attached a release made by Carnegie Minerals Plc (AIM listed) our partner in The Gambia and Senegal.

All enquires in relation to this matter should be directed to Ann Nahajski (Office: +61 (0)8 9386 1233 or Mobile: +61 (0)400 205 433) of the company's public relations consultant, Porter Novelli.

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Carnegie

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5 June 2007

Carnegie Minerals Plc (“Carnegie” or the “Company”)

Ore Reserve Statement for Niafarang deposit explored in southern Senegal

Carnegie Minerals Plc (CME), the mineral sands resource company with production interests in The Gambia and advanced exploration in adjoining Senegal, is pleased to announce it has now received the independent ore reserve statement for the recently drilled Niafarang deposit in southern Senegal.

Highlights

- Carnegie has obtained an independent Ore Reserve Statement for the first mineral sands deposit explored in southern Senegal
- The Probable Ore Reserve contained within the Indicated Mineral Resource for the Niafarang deposit is 3.4 million tonnes of sand at an average grade of 16.0% total heavy minerals (THM)
- The Niafarang ore reserve is classified in the Probable Ore Reserve Category as defined by the JORC Code 2004
- The Niafarang ore reserve effectively doubles the size of the developing mining operations in the Company’s SeneGambia mineral sand project
- Carnegie’s exploration team continues test drilling of geophysical targets in southern Senegal

As a percentage of the total heavy minerals, the economic mineral content is 75.4% ilmenite, 13.6% zircon, 2.3% rutile and 0.4% non-magnetic leucoxene.

Probable Ore Reserve

Sand (MT)	Grade (% THM)	Mineral Assemblage % of THM			
		Ilmenite	Zircon	Rutile	Leucoxene
3.4	16.0	75.4	13.6	2.3	0.4

Carnegie’s exploration team is currently undertaking an air-core test drilling programme of priority exploration areas identified by the high-resolution airborne magnetic and radiometric survey carried out by the Company in late 2006.

PERTOLA Pty Ltd
Consultant Mining Engineers
78 Wilson Street, Bassendean WA 6054

NIAFARANG HEAVY MINERAL DEPOSIT, SENEGAL

ORE RESERVE STATEMENT

The Niafarang Heavy Mineral Deposit, located in Senegal within the Exclusive Exploration Licence dated 26 November 2004, is held by Coast Resources Ltd, a wholly owned subsidiary of Carnegie Minerals Plc.

Mineral Resource Model

Carnegie Minerals Plc provided the mineral resource model. The resource model was supplied as regular block model which was compiled by Micromine Pty Ltd under the supervision of consulting geologist Mr. Michael Shepherd who provided the resource statement as follows:

“The Indicated Mineral Resource for the deposit, at a cut-off of 1% THM, is a total of 4.8 million tonnes of sand at an average grade of 12.4% total heavy minerals. As a percentage of the total heavy minerals, the economic mineral content is 75.2% ilmenite, 13.7% zircon, 2.3% rutile and 0.4% non-magnetic leucoxene. The average slimes content for the deposit is 2.2%.”

Indicated Mineral Resource

Sand (MT)	Grade (% THM)	Mineral Assemblage % of THM			
		Ilmenite	Zircon	Rutile	Leucoxene
4.80	12.4	75.2	13.7	2.3	0.4

Ore Reserve Estimation

Estimation of the Niafarang ore reserve has been based on mining methods, mining ore loss, mining dilution, mineral recovery factors, cost assumptions and product revenue rates currently in use for Carnegie’s existing mining operations in The Gambia. Where necessary, costs have been modified to reflect the increased trucking distance for HMC and variations in government royalty payments.

It has been assumed mining will be undertaken using a number of small dredging units with the heavy mineral concentrate being trucked to a Concentrate Upgrade Plant located in The Gambia. Processed magnetic and non-magnetic concentrates are then shipped to China via the port of Banjul.

The Probable Ore Reserve contained within the Indicated Mineral Resource for the Niafarang deposit is 3.4 million tonnes of sand at an average grade of 16.0% total heavy minerals. As a percentage of the total heavy minerals, the economic mineral content is 75.4% ilmenite, 13.6% zircon, 2.3% rutile and 0.4% non-magnetic leucoxene.

Probable Ore Reserve

Sand (MT)	Grade (% THM)	Mineral Assemblage % of THM			
		Ilmenite	Zircon	Rutile	Leucoxene
3.4	16.0	75.4	13.6	2.3	0.4

Ore reserve calculations qualify as “Probable” as defined by the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (The JORC Code 2004).

Competent Person

The description of the Niafarang Ore Reserve is based on information compiled by David Merkley who is a Member of the Australasian Institute of Mining and Metallurgy, and is Principal of Pertola Pty Ltd, Consultant Mining Engineers. David Merkley 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 JORC Code 2004. David Merkley consents to the inclusion in the Report of the matters based on information in the form and context in which it appears.

Pertola Pty Ltd
Friday, 1st June 2007.

Glossary of terms

“Heavy minerals” or “HM”	a term given to minerals that have a specific gravity above 2.9 gm per cc
“Ilmenite”	a black or dark brown iron and titanium oxide mineral which is a major source of titanium
“Leucoxene”	a fine granular alteration product of titanium minerals
“Rutile”	a yellow, red or brown titanium oxide mineral which is a major source of titanium
“THM”	total heavy material
“Zircon”	zirconium silicate, a colourless, brown or grey zirconium silicate mineral which is a major source of zirconium